

Nation's Business

A USEFUL LOOK AHEAD

MAY 1958

HOW TO SELL FOR HIGHER PROFITS

PAGE 78

our worries can help you PAGE 68

Look behind unions' profit-sharing demand PAGE 31

Housing needs take new direction PAGE 34

Make committee work effective PAGE 62

efficiency

Right from the start—
your new IBM Electric means
more typing in less time!



To increase office efficiency and profits, you're sure to go electric—make sure you go IBM!



You'll be amazed at how much time and work it saves! Because typing gets done so much faster on an IBM, your typing costs are reduced—office efficiency improved. And because it produces finer, more distinguished typing, your prestige is increased . . . and hence most likely your profits!

She'll be amazed at how much easier it is! Typing on an IBM actually takes up to 95.4% less finger-effort than a manual! And no matter what touch she uses, every letter will have a sharp, even impression. It's the simplest electric in design and operation—the most dependable in performance!

IBM

ELECTRIC
TYPEWRITERS



25 YEARS AGO IBM introduced its first electric typewriter . . .

this year IBM continues its leadership with its one millionth electric typewriter!

The Three-way Benefits of Good Telephone Earnings



USERS

EMPLOYEES

INVESTORS

They benefit the telephone customer by providing the means to expand and improve the service and do it economically.

They benefit employees because they help to provide good jobs.

They benefit the investor by protecting his savings and insuring a good and secure return on his investment.

There is, indeed, no basis for the belief that keeping telephone earnings low is a sure road to keeping rates low.

Such a philosophy, by limiting progress and long-pull economies, will lead almost always to the opposite result . . . poorer service at a higher price than the customer would otherwise have to pay.

In all lines of business, it's the companies whose earnings are good that are able to make the best products, provide the best service, and give the best values.

BELL TELEPHONE SYSTEM



Nation's Business

May 1958 Vol. 46 No. 5

Published by the Chamber of Commerce of the United States
Washington, D.C.

7 Management's Washington letter

Government actions could bring pressure for higher pay;
yet climbing business costs worry Washington officials

10 Letters from businessmen

Managers' sins finds backer, one outspoken critic; reader
asks, gets information on how unions run office buildings

16 WATCH THIS ISSUE: Housing aid could be permanent

Five steps can help combat likely federal encroachment of
local responsibilities made in the name of antirecession

23 TRENDS: The state of the nation

Federal move to extend state unemployment benefits would
be another step toward strengthening labor union monopoly

27 TRENDS: Washington mood

Angry political debates between Republicans and Democ-
rats over recession cures may benefit the entire economy

31 Look behind unions' profit-sharing demand

This analysis reveals what Reuther really wants, and what
worries business and those with true profit-sharing plans

34 Housing needs take new direction

America has done better than generally believed in improv-
ing its housing. New analysis shows scope of future market

36 Manpower: What we have—what we'll need

Noted authority appraises the current labor market in this
country and looks to our requirements for the next 10 years

38 U.S. Chamber head is optimistic conservative

New president, William A. McDonnell of St. Louis, is bank
chief executive officer, a lawyer, businessman and farmer

58 Two steps will strengthen business

Here, the Chamber president outlines what he believes will
restore economic health, what will build for the future

40 Here's how to make jobs

Economic decline is about over, analyst says, yet unemployment can continue up unless correct stimulants are applied

42 HOW'S BUSINESS: Today's outlook

Congress may act on legislation in three areas to assist transportation; upward pressures on wages will continue

46 New Red target: Beat U. S. productivity

Communists fear America's productive capacity, and will take many actions with important implications to business

62 Make committee work effective

New findings by researchers at the University of Michigan show what ingredients make this management tool workable

68 Your worries can help you

Businessmen can profit by improving the way they worry. The basic problem is not worry, but what is done about it

78 How to sell for higher profits

Salesmen are the vital keys to increased company earnings in today's markets. Here are ways these men can contribute

96 EXECUTIVE TRENDS: Do executives drag their feet?

Management observer says that some do, and outlines how it can happen. Also covered: executive recruiting, job stress

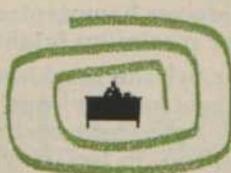
104 New survey rates incentives

Employers tell what, besides money, works best for them in motivating workers for better quality, quantity, attitudes

108 Let's not over-adjust our readjustment

Antirecession plans motivated by political ambitions can do more harm than good; here's why, what's needed instead

Nation's Business is published monthly at 1615 H St. N.W., Washington 6, D.C. Subscription price \$18 for three years. Printed in U.S.A. Entered as second-class matter March 20, 1920, at the post office at Washington, D.C. Copyright, 1958, by Nation's Business—the Chamber of Commerce of the United States. Nation's Business is available by subscription only.



Editor
Alden H. Sypher

Adm. Assistant
Ruth D. Howard

Executive Editor
Paul McCREA

Associate Editors
George Haddock
Kenneth W. Medley
Paul Hencke
Joseph M. Gambatese
Tait Trussell
Joseph L. S. Terrell

Art Director
Ralph Patterson

Adm. Assistant
Mary W. Davis
Associates
Asdur Takakjian
Charles Dunn
Thomas S. Huestis

Production Manager
W. Lee Hammer

Business Manager
William W. Owens
Advertising Director
Herman C. Sturm
Circulation Manager
John C. Loest

Here are the reasons why . . .

Sylvania Fluorescents give you more light—

at lower cost than all other brands!

Superior engineering makes Sylvania fluorescent lamps better in many important ways . . . makes every lamp a better tool of production and sales to increase your profits.

TODAY, good lighting is more than illumination . . . it is a basic tool of production and sales. Sylvania, with this important premise always at work, offers business and industry a complete line of modern fluorescent lamps that assures efficient lighting . . . provides performance that means maximum service from your present fluorescent lighting system, and a higher return on your investment in the illumination of offices, factories or stores.

Why Sylvania lamps are best

It takes many things to make better fluorescent lamps. That's why ordinary fluorescents cannot match Sylvania lamps for light output, lamp life and dollar-for-dollar lighting value.

The reason? Sylvania builds many important major features into fluorescents . . . all contributing to superior lamp service and greater lighting economy.

Check these many points of superiority. See for yourself why you get more and save more. Notice, too, that Sylvania makes its most important com-

parisons with other brands . . . not with Sylvania products of the past.

Sylvania fluorescent lamps are as much as 14% brighter

Tests in the laboratory and working installations demonstrate that Sylvania lamps consistently deliver more light.

Equally important, during the past two years, an actual comparison of Sylvania fluorescent lamp performance with that of other brands shows Sylvania to deliver up to as much as 14% more light, depending on the lamp type.

Thus, you get the maximum light you expect . . . all the light you pay for . . . from the start.

Sylvania's greater maintained brightness means 7 lamps free for every hundred you use

Sylvania fluorescents maintain their greater brightness throughout useful life. For example, at 3,000 hours, in a single-shift operation, 100 Sylvania lamps deliver the light output of about 107 ordinary fluorescents. In effect, you

get a dividend of light equal to 7 free lamps . . . more light-per-lamp from the power you pay for.

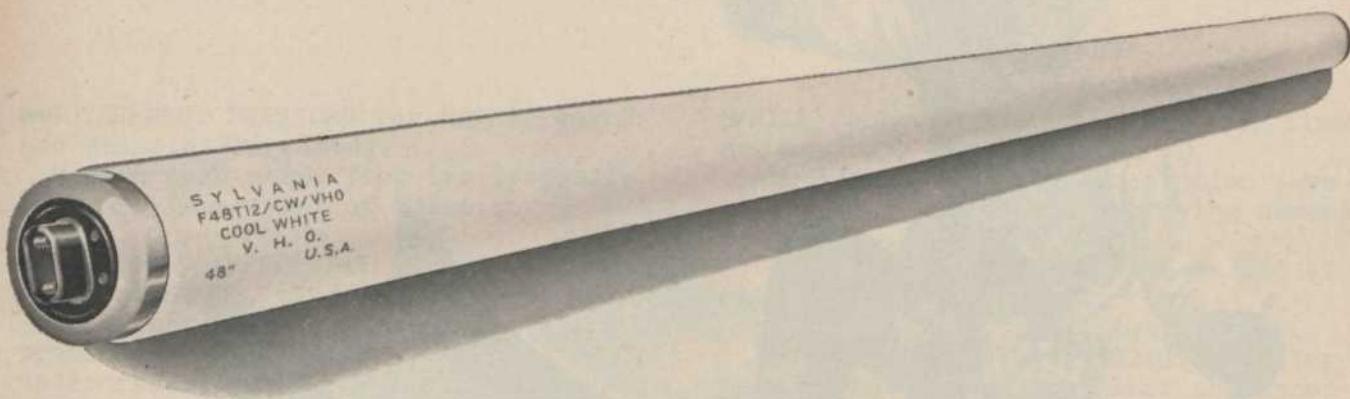
Sylvania welds all bases . . . eliminates faulty lamp contact

Sylvania welds the tube-to-base contact points in all its fluorescent lamps. Other brands use soldered contacts.

By welding, Sylvania completely eliminates the corrosion caused by soldering. Faulty lamp contact so common with ordinary fluorescents is eliminated. As a result, Sylvania fluorescents burn brighter far longer . . . save dollars and time in lamp maintenance.

Only Sylvania's exclusive coating process homogenizes phosphors for maximum brightness

Year after year, Sylvania lamps have delivered more light for a far longer time than ordinary fluorescents because of superior phosphors. In fact, only now are some other brands being introduced with phosphors of a quality which Sylvania has long since improved.



In addition, Sylvania uses an exclusive coating process which more uniformly distributes these superior phosphors throughout the tube. This unsurpassed uniformity is made possible by homogenizing the phosphors—and, in itself, contributes a minimum of 3% greater brightness over other processes now in use.

Sylvania lamps are 99.9% free of performance defects

Every lamp that leaves the plant is subjected to the infallible scrutiny of

electronic devices that test and inspect for every possible flaw. One unit, for example, is so critical it can detect, in a fraction of a second, a lamp leak that would otherwise not become apparent until after many months of use. In this way you are assured of the highest lamp quality and performance.

Revolutionary VHO—

first lamp to give 250% as much light as a standard tube

The Sylvania VHO (Very High Output) lamp represents a major break-

through in fluorescent lighting. It produces 2½ times the light output without changing the size or shape of the tube.

The high intensity lighting "punch" of Sylvania's VHO offers new lighting levels that make it practical for the first time to gain the advantages of fluorescent lighting for High Bay installations, and for Outdoor illumination.

VHO lamps cost less to buy—less to use, and maintain greater brightness throughout life than other types of very high intensity fluorescents.

These facts are presented in the interest of demonstrating how better lighting is possible at a lower cost . . . how it contributes to increased production and working efficiency, and supports the many factors that reduce operating costs to improve profits.

We believe this concrete evidence of Sylvania's superiority in fluorescent

lighting deserves the serious consideration of every executive or purchasing authority.

If you are planning new lighting, or are about to buy fluorescent lamps for your present system, let us demonstrate why you cannot afford to buy anything but Sylvania Fluorescent Lamps. Call or write us today.

Signed,

Frank J. Healy
F. J. HEALY, President

SYLVANIA Lighting Products

A Division of SYLVANIA ELECTRIC PRODUCTS INC.

In Canada: Sylvania Electric (Canada) Ltd., Shell Tower Building, Montreal

Dept. 8L-7805, 60 Boston Street, Salem, Massachusetts



one man's play... everyman's problem!

Come winter and snow piles high on the hillsides for men to play in. Come spring and that same snow, melted, cascades millions of tons of water on the countryside below. On its madcap rush to the sea, water frequently floods, spreads pollution, washes away food-bearing soil.

Controlling the flow of too much water at one time is only one of many problems your water officials must face. You can help solve others. Won't you?

1. Encourage future water planning.
2. Support realistic water rates and water supply bond issues.
3. Conserve water wherever you can.

With water, it's later than you know,



WHEN THIS HOUSE IS
AN ANTIQUE...

the cast iron pipe laid today will still be young. Throughout America many cast iron water and gas mains a hundred and more years old are still serving. This dependability and long life make cast iron pipe AMERICA'S NO. 1 TAX SAVER.



CAST IRON PIPE

RESEARCH ASSOCIATION SUITE 3440, PRUDENTIAL PLAZA, CHICAGO 1, ILL.

management's WASHINGTON LETTER

► GOVERNMENT PRESSURE for higher wages and salaries is coming.

Upward push stems from two proposals by U. S. Department of Labor.

► ONE WOULD AFFECT PAY of executives, administrative, professional employes.

To exempt these employes from overtime premium pay requirements, industries under federal wage and hour regulations will have to:

Pay executive employes at least \$80 a week--up from current minimum of \$55.

Pay administrative, professional personnel at least \$95 a week--up from current \$75 a week minimum.

Pay employes in either group at least \$125 a week--up from \$100--in order to use so-called streamlined or more liberal test applicable to duties they perform to maintain exemption from wage rules.

Comments on proposed new regulations will be received until May 5 by Acting Administrator Clarence T. Lundquist, Wage-Hour Division, U. S. Dept. of Labor, Washington 25, D. C.

► SECOND ACTION WOULD AFFECT wage regulation for work on government contracts in two industries--paint and varnish, and surgical instruments.

In paint and varnish, Labor Secretary James P. Mitchell proposes to raise minimum pay to \$1.50 an hour.

That's up from present \$1.05 in some parts of country, \$1 elsewhere.

Industry has 36,000 employes; in latest survey had federal contracts totaling \$17 million.

In surgical instruments, Secretary Mitchell proposes to set minimum of \$1.25 an hour on work for government.

This industry has been under \$1 minimum applicable generally to all industry covered by wage-hour law.

With more than 9,000 production workers, latest survey shows this industry had \$15.4 million government contracts.

For list of 15 other industries in which government has fixed wages higher than \$1 an hour, see NATION'S BUSINESS, March 1958, page 58.

Other industries may be affected indirectly.

You are best judge of how you will be affected.

► BILL COLLECTIONS indicate better times are coming.

American Collectors Association says bill-paying habits are improving across nation.

Collectibility index--84.2 at end of past year--now reads 94.

Upturn is first since last summer.

Areas where past-due bills are being repaid fastest are Southwest and upper Midwest.

Association's member companies say people are consolidating debts, clearing up old obligations, making healthier bank deposits.

Sour note is repossession.

They've leaped 87 per cent since spring a year ago.

Biggest items in repossession picture:

Automobiles--some being repossessed even before first payments are made.

► WORLD STRUGGLE ENTERS new phase--with new importance to American business.

What is beginning to worry Washington more is not balance of military power--but economics.

Top government specialists in Kremlin strategy see peril in Russia's stepped-up efforts to beat U. S. industrial output.

To find answers, NATION'S BUSINESS asked Soviet Union directly (among others) for communist view of economic struggle.

From Moscow comes this reply:

"Principal economic task Soviet Union is working on today is--in a brief span --to overtake and outstrip the more developed capitalist countries in per capita industrial output."

"Proceeding from this proposition, USSR industrial executives are constantly working to increase labor productivity and output, on basis of higher techniques."

Where will Russia find new industrial and management techniques?

From American businessmen.

How?

For look ahead at race to beat U. S. worker productivity, see page 46.

► HERE'S WHAT MOSCOW is being told about U. S. business outlook:

No depression in sight.

What's happening now's called business

slump, not depression--this made clear.

Business dip expected to go on until year's end, maybe into 1959.

Then, new upturn.

Report's by staff of skilled Russian economists working in Washington.

They analyze U. S. government, business data, keep Kremlin up to date on economic developments here.

►BUT IN MOSCOW it's another story.

People there are being told:

U. S. capitalism's incurably ill.

Kremlin says recession here can be ended by stepping up trade with communist countries.

►GOVERNMENT FISCAL ANALYSTS spot new trend you'll hear more about soon.

Look at total fiscal facts to date and you get one picture. But look at data for latest month and new trend shows up.

Here's that information:

All federal receipts are running 3 per cent higher than last year.

But most recent month's tax collections are down 10.6 per cent from same month year ago.

►CLIMBING BUSINESS COSTS, lower profits worry Washington, too.

Reason: Treasury has 52 cent stake in each \$1 profit.

Profit decline means revenue loss.

Company example shows how:

Sales are running at rate of \$32 million per year higher than year ago.

But accompanying higher sales is cost rise--up about \$46 million.

Result: Company's \$24.1 million tax bill (last year) falls to \$17 million.

►HERE'S TOTAL IMPACT of corporate income drop on government:

Taxes collected from corporations are down 1.1 per cent for fiscal year, down 11.4 per cent in latest month.

Note: Excise tax collections average \$206 million higher for the year but total's down \$88 million in latest month.

►TAX COLLECTIONS from individuals show similar trend.

For fiscal year so far, total personal taxes withheld are up 4.9 per cent.

For most recent month, amount's down 5 per cent.

►GOVERNMENT SPENDING upswing widens deficit gap.

Treasury cash outgo shows what's happening:

Defense Spending--running at annual rate \$555 million higher than year ago.

Foreign aid--up \$393 million.

Veterans' programs--up \$263 million.

VA life insurance--up \$26 million.

Debt interest--up \$336 million.

Old age, survivors insurance--up \$1.2 billion over last year's total.

Unemployment pay--up \$771 million.

Other categories also up.

Total: Running at annual rate \$3.6 billion higher than past fiscal year.

You can expect deficit to reach about \$3 billion by end of fiscal '58.

►HIGH FEDERAL TAXES worry you?

Take a look at your state and local tax bills, too.

Spending for goods and services is soaring--up 60 per cent in 5 years, up \$3.4 billion in past year alone.

Note: 11 of 17 state budgets sent to legislatures this year ask for tax increases.

State expenditures now average \$146 per person.

In year just passed, states borrowed \$1.5 billion, paid off \$670 million of debt.

►PLACEMENT OF DEFENSE contracts picks up steam--but falls behind schedule.

Government planned placement of \$13.5 billion worth of contracts during 1958 first half. (That's up from \$9.9 billion in first half last year, \$7.9 billion in second half.)

But placement so far isn't keeping up with plans--may reach only \$12 billion.

For 1958 second half, plans call for \$10 billion contract placement.

Note: If your company wants contract, has potential for defense production, you can get on bidder list at military procurement office.

Your local chamber of commerce can help you.

►DON'T SELL AMERICA'S growth potential short.

Comment is by executive in discussion of business conditions.

Point is: Beyond current dip looms

management's WASHINGTON LETTER

another growth grade which, most experts believe, will make past progress look slow.

Evidence of confidence in America's future may be seen in plans of many industries for meeting future demand.

One industry alone--electric utilities--expects to spend about \$5 billion each year through 1960 to enlarge capacity to meet market it's sure will exist.

► SHOULD DECISIONS ALWAYS BE BASED on facts?

Not always.

Country is full of businesses built mostly by initiative, sweat, daring.

Fledgling company paid for survey to determine advisability of its entering appliance field.

Survey finding? Stay out. Field's too competitive. Small company getting into new line wouldn't have a chance.

Firm's management read survey report, filed it, went to work anyway.

That was 10 years ago.

File still holds that survey but--also holds business records of firm's zooming success.

Business consultant says:

This is a time when a little man with a big idea can outsell, outproduce, outperform the oldest and solidest business firms.

► RECESSION WON'T STYMIE growth of smart new products.

That's proved by experience of business in other slumps--pointing up value of research, development.

In 1930's, many products boomed despite generally calamitous state of business.

Examples:

Sale of household refrigerators expanded by nearly 50 per cent from 1929 to 1931.

Sale of electric washing machines was greater in 1933 than in 1929.

Other depression babies that grew to healthy adulthood: radio, diesel engines.

For practical hints on what to do in time of business contraction you will find new pamphlet useful.

"Resisting Business Contraction," published by Economic Research Dept.,

U. S. Chamber of Commerce. Individual copies available at 50 cents each.

► DOES PROMISE of Washington intervention retard a program?

Look at highways.

During 1920's road building grew at yearly rate of 10 per cent.

From 1937 to 1954 growth was 11 per cent per year.

Then came talk of expanded federal aid.

Road building slumped to 3.5 per cent --as states held up programs to wait for Washington.

Outlook for 1958 is this:

It'll be year when new program will really begin to show results.

But is it really big?

In 1929 road building amounted to 1.25 per cent of nation's total output of goods and services.

In 1958 it'll average 1.22 per cent.

Conclusion:

Today's outlay for highways (Washington financed) is no bigger relative to total goods, services produced than in 1929 when states paid the bills.

► YOU CAN COUNT on less time lost by strikes this year.

Trend points that way.

Idleness caused by work stoppages is down about 40 per cent from last year.

Month's total is lowest since 1936.

But don't overlook: Upward pressures on wages will continue.

See How's Business, page 43.

► HOW HARD WILL YOU WORK in the years ahead?

Harder than you know.

That's forecast of Dr. Eli Ginzberg, Columbia University authority on work trends.

Dr. Ginzberg says:

"Until now, poorest people died because they didn't eat as well, worked harder."

"Now, new data suggest that it's the executive group which works hardest."

Go to any office building on week ends, he says, or to the Pentagon, other government offices, to universities--you'll find it's the bosses who are there.

What do trends show?

Interpretations on page 36.

Don't Walk... **TALK!**



THE NEW EXECUTONE INTERCOM Saves steps, increases output, cuts costs!

Compute the cost of time wasted by executives and employees running back and forth. That's how much the NEW Executone Intercom can save you! Your voice—with lightning speed—gets information, gives instructions. Your employees accomplish more, too, with inter-departmental communication. "Inside calls" no longer tie up telephone lines. Office and plant operate at a new peak of efficiency!

Years ahead of its time in operation and design!

"CHIME-MATIC" Signalling announces calls with a soft chime and signal light, saves time on every call. New switching circuits for every need make new savings possible. Voices are clearer, distinct, instantly recognizable. Inexpensive 2 station system easily expanded. See it—no obligation. Just mail the coupon.

Executone

GET THE
FACTS

COMMUNICATION AND
SOUND SYSTEMS

EXECUTONE, INC., Dept. K-3
415 Lexington Ave., New York 17, N. Y.

Without obligation, please let me have:

- The name of your local Distributor
- Complete descriptive literature

NAME.....

FIRM.....

ADDRESS..... CITY.....

In Canada—31 Bartlett Ave., Toronto

Letters from businessmen

It's timely . . .

We should like to commend you on your presentation of "How to Avoid Managers' Seven Deadly Sins." You have brought forcibly to the fore much, and more, of what we have been attempting to indoctrinate into our own organization. The timeliness of the article could not have been more appropriate. We ask that you furnish us with six copies by return mail.

A. T. WALTERS
Matson Brothers, Inc.,
Seattle, Wash.

. . . excellent . . .

You will find enclosed my check for 100 reprints of your excellent article, "How to Avoid Managers' Seven Deadly Sins," which appeared in the April issue.

WALTER WEISSINGER
Regional vice president,
New York Life Insurance Company,
Minneapolis, Minn.

. . . most quoted . . .

The article on "Managers' Seven Deadly Sins" will, in my opinion, become one of the most quoted articles of this year's management literature.

VINCENT A. FLYNN
Society For Advancement
of Management, Inc.,
New York, N. Y.

. . . trash?

Please do not clutter up my desk with this trash [Seven Deadly Sins] any more. In other words, discontinue sending this magazine, NATION'S BUSINESS.

S. MERRITT KEPHART
Puritan Mills, Inc.,
Roanoke, Va.

The federal bite

A note under "Looking Ahead" in NATION'S BUSINESS for April reads: "This is money from Washington." Should it not read: "This is John Q. Public's money via Washington, less Washington's costs in handling?"

H. O. CONNELL
Michigan City, Ind.

Union landlords

In your March issue you refer to the number of buildings in Washington occupied by unions as head-

quarters. Are these buildings revenue producing from rentals to other than union occupancies or is the full cost of the building operation, maintenance and amortization a 100 per cent cost to the particular union which erected the building?

R. J. MAILHOUSE
President,
The Plymouth Electric Company,
New Haven, Conn.

►Some, like AFL-CIO and United Mine Workers' buildings, are occupied exclusively by those organizations. Others, like Philip Murray Building of International Union of Electrical Workers, rent space to other unions. The Bowen Building of the Bricklayers' Union, the Machinists' Building, and others, produce revenue by rentals to business organizations or professional people.

Business do-it-yourself

It was interesting for me to note that the article, "Be Ready for the Upswing," advocated a course of positive corporate and business action quite similar to one I proposed myself only a few days before in a letter to the editors of newspapers in 120 cities. We should not pass the ball to Washington in this present situation, but should accept the challenge to demonstrate emphatically that American business and industry have the resources, vigor, intelligence and courage to meet the responsibilities of a free economy.

ELMER L. WINTER
President,
Manpower, Inc.,
Milwaukee, Wis.

Help for managers

NATION'S BUSINESS has been running a series of interesting articles addressed to management, of which the March article, "How to Let Go of Authority," is one. I have missed reading some of these and am wondering whether you plan to publish all of them in booklet form when the series is finished. If so, I would be interested in having a copy.

JOHN DENLER
The Allman Company, Inc.,
Detroit, Mich.

I have had the pleasure of reading your book set, "Three Steps to More Skillful Management," and find it to be very interesting and educational. As a consequence, I am interested in having a set of the three booklets contained therein, entitled "Managing Your Business,"



Aims straight at \$80,000,000

A smart novelty manufacturer in California set his sights on a share of the juicy \$80,000,000 souvenir business at New York and New Jersey beaches. It's a hurry-up seasonal bonanza. But this executive was able to shoot the works against *local* competition with pinpoint *overnight* deliveries — all from his California plant. And he did it by using Air Express, the *only complete* door-to-door air shipping service to thousands of cities and towns.

This is a selling strategy *you* can use too . . . whatever you make, and whenever you sell it. Air Express allows you to draw a bead on any market in America! It expands your own delivery force to include 10,212 daily flights on scheduled airlines, 13,500 trucks (many radio controlled), a nationwide private wire system, a person-

nel of 42,000. Yet Air Express is inexpensive—actually costs less for many weights and distances than any other complete air shipping method.

Explore all the facts. Call Air Express.


AIR EXPRESS

GETS THERE FIRST via U. S. SCHEDULED AIRLINES

CALL AIR EXPRESS 

...division of **RAILWAY EXPRESS AGENCY**



When you ship, title passes, and your credit risk begins

At the time of shipping, you create an account receivable . . . and unless you have credit insurance . . . your insurance protection ceases. You lose control of the asset because title of the merchandise has passed. It is sound to insure your product while you own it . . . it is equally sound to insure it when your customer owns it . . . and owes *you* for it. Aggressive executives, through American Credit Insurance, continue protection of their working capital and profits invested in receivables. It is an important tool for constructive credit management. Our booklet on the many ways credit insurance contributes to financial security and sales progress should interest *you*. Write AMERICAN CREDIT INDEMNITY CO. of New York, Dept. 41, 300 St. Paul Place, Baltimore 2, Maryland.

*Protect your capital and profit
invested in accounts receivable
with American
Credit Insurance*

ANY ACCOUNT...NO MATTER HOW GOOD...IS BETTER WITH ACI

"Managing Your People," and "Managing Yourself," for my personal library. If they are available, please send me a set.

JAMES R. LYNCH
Missile Systems Division,
Lockheed Aircraft Corporation,
Sunnyvale, Calif.

I have a problem you may be able to help me solve. I recently read the three "Skillful Management" books and was extremely impressed—so much so that I was expounding some of the philosophy to a newspaper publisher in Ohio. He was so interested that he asked to borrow all three and, being unselfish by nature, I obliged. He was to read them and return them to me—but it has been more than a month and I have reminded him several times. I don't think it would be wise for me to remind him again. Consequently I would like to ask if there is another set available and what the price is so that I can again have an opportunity to study the books.

WALTER C. FREED, JR.,
Chicago Manager,
John W. Cullen Company, Inc.,
Chicago, Ill.

►For a set of the three books send \$2.40 to Room 335, Nation's Business, 1615 H Street N.W., Washington 6, D.C.

Popular skills

Your article, "8 Skills Make A Manager," is a very fine and concise discussion of the various aspects important to a field manager. I am most anxious to use this article as a basis for individual and collective discussions with the field managers in this region. Attached is a check to cover 15 reprints.

SAM BROCK
Regional Sales Manager,
Pfizer Laboratories,
Dallas, Tex.

Please forward me three copies. I enjoyed reading this article very much.

L. J. LYNCH
Navajo Freight Lines, Inc.,
Dallas, Tex.

Our check is enclosed covering the cost of four reprints.

CARL BOTKIN
Director of Research,
Charles Bruning Company, Inc.
Teterboro, N.J.

I think it is well done and highly pertinent for our field.

MORRIS J. WEINBERGER
Hinsdale School,
Pueblo, Colo.

►593 requests for 10,765 reprints thus far.

Ready already

We were intrigued by the cover of the March issue (What to Do Now to Be Ready for Upturn). We really didn't have to read page 36, though. WE ARE READY!

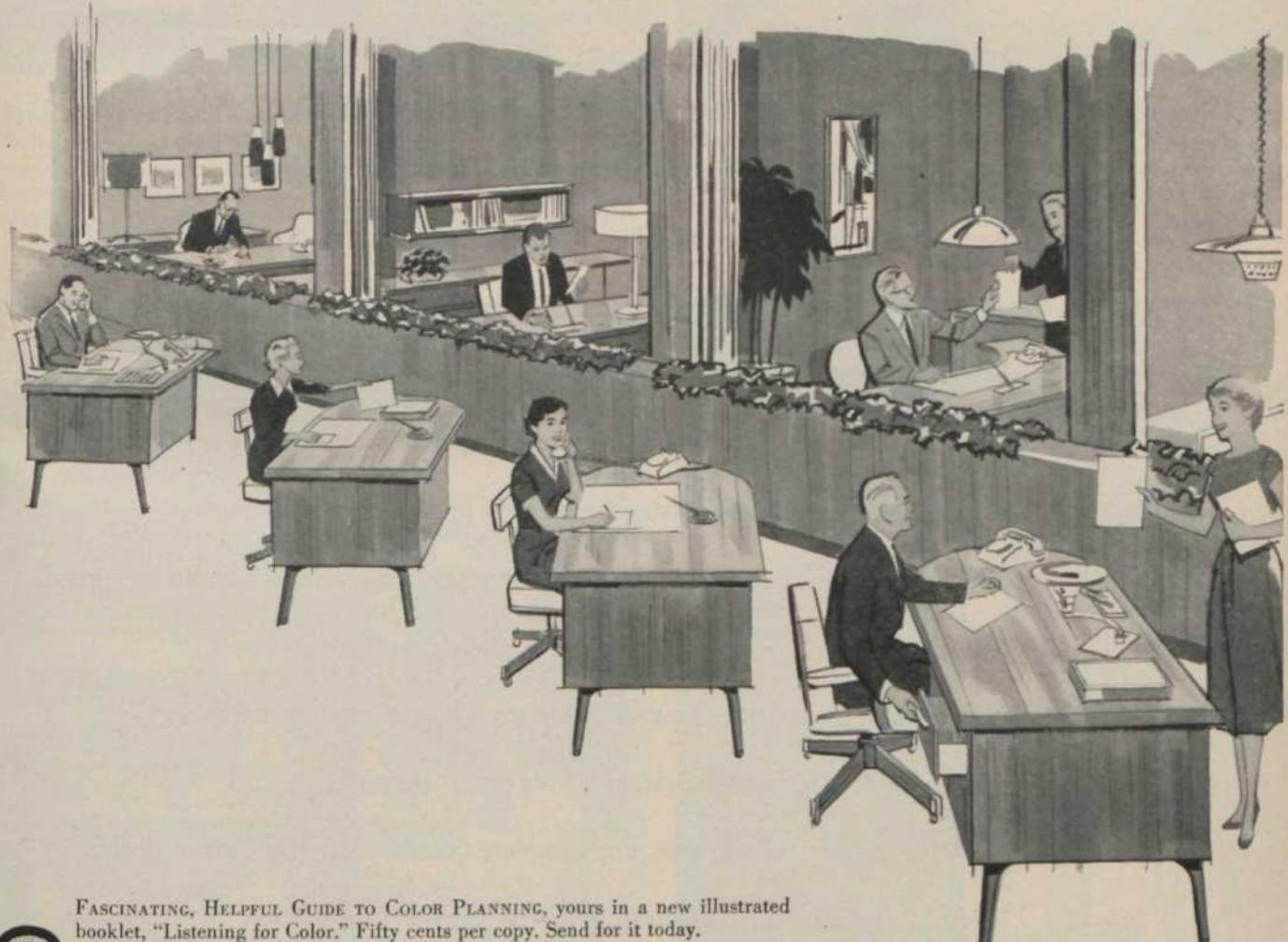
ROBERT F. SCHOEDLER
Vanderbilt Flour Co.,
Chicago, Ill.

THE EXCITING DESIGN

IN OFFICE FURNITURE IS

BEING DONE WITH **WOOD**

Today's new wood designs are transforming "general office" areas into warm, quiet, efficient work-spaces. Businessmen have extended wood's influence beyond the inner sanctum . . . not simply from a sense of beauty and pride. They have seen the impact of wood on employee loyalty and morale. They have observed the material effect of wood upon productivity, efficiency, profits. Furthermore, wood offers greater initial economy. All these benefits await you. Whether you're replacing old desks and chairs, or equipping new space, let your office furniture dealer demonstrate why it's better business . . . (and less expensive) to do it with wood.



FASCINATING, HELPFUL GUIDE TO COLOR PLANNING, yours in a new illustrated booklet, "Listening for Color." Fifty cents per copy. Send for it today.



WOOD OFFICE FURNITURE INSTITUTE

DEPT. 22, 1414 EYE STREET, N.W., WASHINGTON 5, D.C.

In the interest of better use of wood office furniture, the following companies have contributed to the preparation of this message: Alma Desk Company, High Point, N. C. • Boling Chair Company, Siler City, N. C. • Hoosier Desk Company, Jasper, Ind. • Imperial Desk Company, Evansville, Ind. • Indiana Chair Company, Jasper, Ind. • Indiana Desk Company, Jasper, Ind. • Jasper Chair Company, Jasper, Ind. • Jasper Desk Company, Jasper, Ind. • Jasper Office Furniture Company, Jasper, Ind. • Jasper Seating Company, Jasper, Ind. • The Leopold Company, Burlington, Iowa • Myrtle Desk Company, High Point, N.C. • Thomas Furniture Company, High Point, N. C.

BETTER AIR CONDITIONING FOR EVERYBODY

EVERWHERE

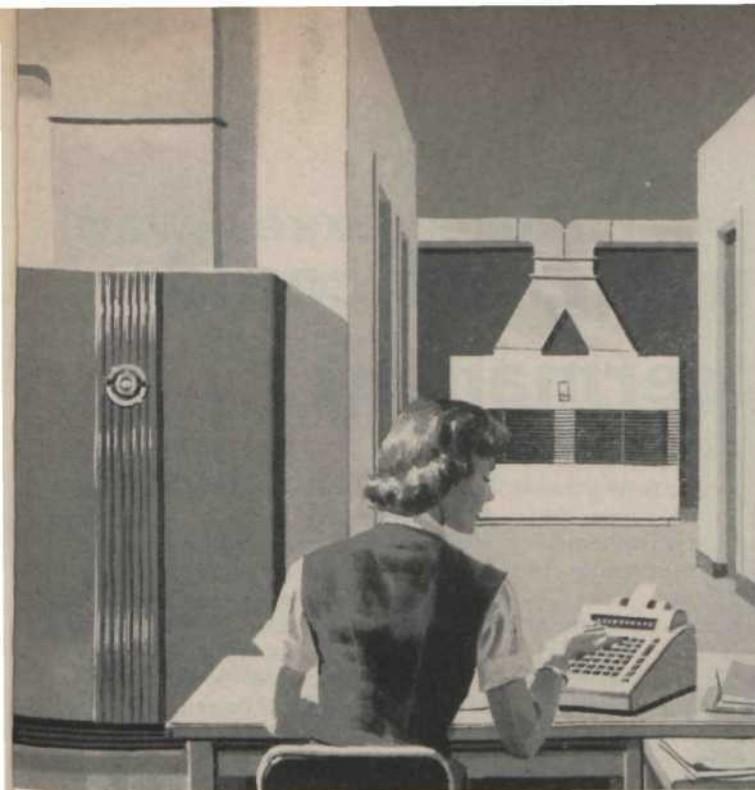


What is the newest way to air condition a building?

It's the Carrier Multi-Weathermaker System—a unique, new concept of air conditioning, so flexible it can be adapted to any building regardless of size, age or use. This system employs a number of self-contained Carrier Weathermakers* which are co-ordinated into a single, integrated system by a master installation plan. All the Weathermakers required to air condition your entire building may be installed at once. Or you may choose to install them step by step, in predetermined sections—an office, a suite or an entire floor at a time. This way, financing can be spread over a number of years. But either way, there's no interference with normal business routine. Four of the many types of equipment used in the Multi-Weathermaker System are shown at the right.

Each has its own advantages. For complete details, call your Carrier dealer listed in the Classified Directory. Or write Carrier Corporation, Syracuse, New York, for a new 24-page booklet about the Multi-Weathermaker System.

*Reg. U.S. Pat. Off.



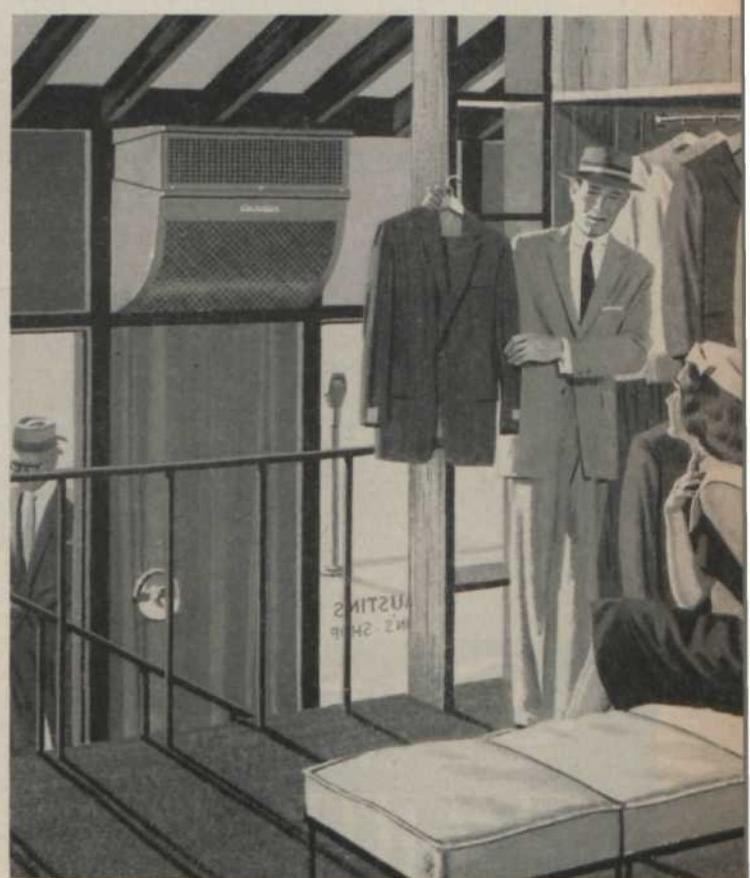
For a series of partitioned offices, Weathermakers like these distribute air to each office through inexpensive ducts. They may be free-standing (as shown above), recessed or entirely concealed in the wall. Each unit has all the components necessary to cool, dehumidify, filter and circulate the air.



For a whole floor, the Multi-Weathermaker System handles the entire area with a number of strategically located units. These Weathermakers may easily be relocated when you move or whenever a change in office arrangement may create an unbalanced or increased air conditioning load requirement.



For large open offices, this inexpensive new Weathermaker distributes cool, invigorating air to all parts of the room, with or without ducts. Each unit is entirely self-contained and requires no plumbing or water. Only electrical connections are necessary. A system like this is simplicity itself!



For a first floor retail shop, Weathermakers like this can be installed up and out of the way in a transom or storage room, require no valuable floor space. If the shop remains open for evening business, customers enjoy air conditioning even when the system is shut off in the remainder of the building.

**Lets
you know
when the fuel
is low!**



**CLEARLY
a gift
that builds
business!**

The new Scripto VU-LIGHTER is the perfect prestige gift for your customers and prospects. Lightweight; beautifully trimmed in chrome. Your choice of colors. So inexpensive—especially in quantities of 25 or more. Unconditionally guaranteed!



YOUR TRADEMARK, or a miniature of your product, will be inserted in the transparent VU-LIGHTER fuel reservoir.

Scripto
WINDGUARD
VU-LIGHTER

For name of your local distributor write:
Vu-Ad Company, a Division of **Scripto, Inc.**
Box 4996, Atlanta, Georgia

**✓ WATCH
THIS ISSUE**

Housing aid could be permanent

CONGRESS IS PUSHING forward so-called antirecession programs that could seriously sap the will of America's 17,000 local governments to solve their own problems.

The paradox of these actions is even more striking when one considers that these actions and their results will be with us long after the recession is ended.

Involved are measures through which the federal government would assume increasing responsibility for housing and construction in the nation's scattered municipalities.

One measure already is a reality. It's the emergency housing bill, signed with reluctance by President Eisenhower, which funnels about \$2 billion into the home finance market. It raises the interest rate on VA mortgages from 4.5 to 4.75 per cent, reduces Federal Housing Administration down payments, provides for additional direct Veterans Administration loan funds and additional authorization for the purchase of VA loan funds and additional authorization for the purchase of VA and FHA mortgages by the Federal National Mortgage Association. Sponsors say it will provide 200,000 new homes and 500,000 new jobs.

The second piece of legislation, introduced by Sen. John W. Fulbright, Democrat of Arkansas, would provide \$1 billion in loans to states and municipalities for up to 52 years. The money would be used to finance development of many new public facilities, including sidewalks, parking lots, public parks and hospitals.

The third measure involves federal grants for urban renewal, college housing loans, and other things. Hearings on this proposal already are under way in Congress. If passed, the measure could add another \$2 billion to the taxpayers' bill.

The Chamber of Commerce of the United States warns that these measures represent an encroachment of the central government on responsibilities which are clearly matters to be handled through local leadership, and by private enterprise.

"There are 227,000 local and state governmental officials," a Chamber

spokesman points out, "as opposed to 531 members of the U. S. House and Senate. The spending responsibility of the federal Congress members amounts to \$140 million on a per capita basis. For the thousands of local governmental officials this responsibility breaks down to only \$131,000. Plainly, if there is to be an increase—it should come at the local level."

In keeping with this philosophy of local leadership, the National Chamber—through a special committee on metropolitan growth—has evolved a five-point program for solving the housing and urban renewal problems of the country at the community level.

The five steps include:

- Leadership by local government, business organizations and other groups.
- Community-wide economic studies to assess long-range needs.
- Promotion of a balanced program for over-all urban development of the entire economic-social area.
- Streamlining local government, where necessary.
- Coordinating the work of community organizations for joint effort on urban development.

A new report of the committee on metropolitan growth points out that forceful community leadership is indispensable in bringing about a "full understanding of metropolitan problems and, from full understanding, a solution to the main problems."

(Continued on page 19)

For the outlook
on housing, see

**HOUSING NEEDS
TAKE NEW
DIRECTION**

page 34

**NEW, GREEN COLORED
ALUMINUM PAINT
HELPS SELL
COLE TANKS**

*Gilmore & Nolan Alumizol
protects huge outdoor structures*

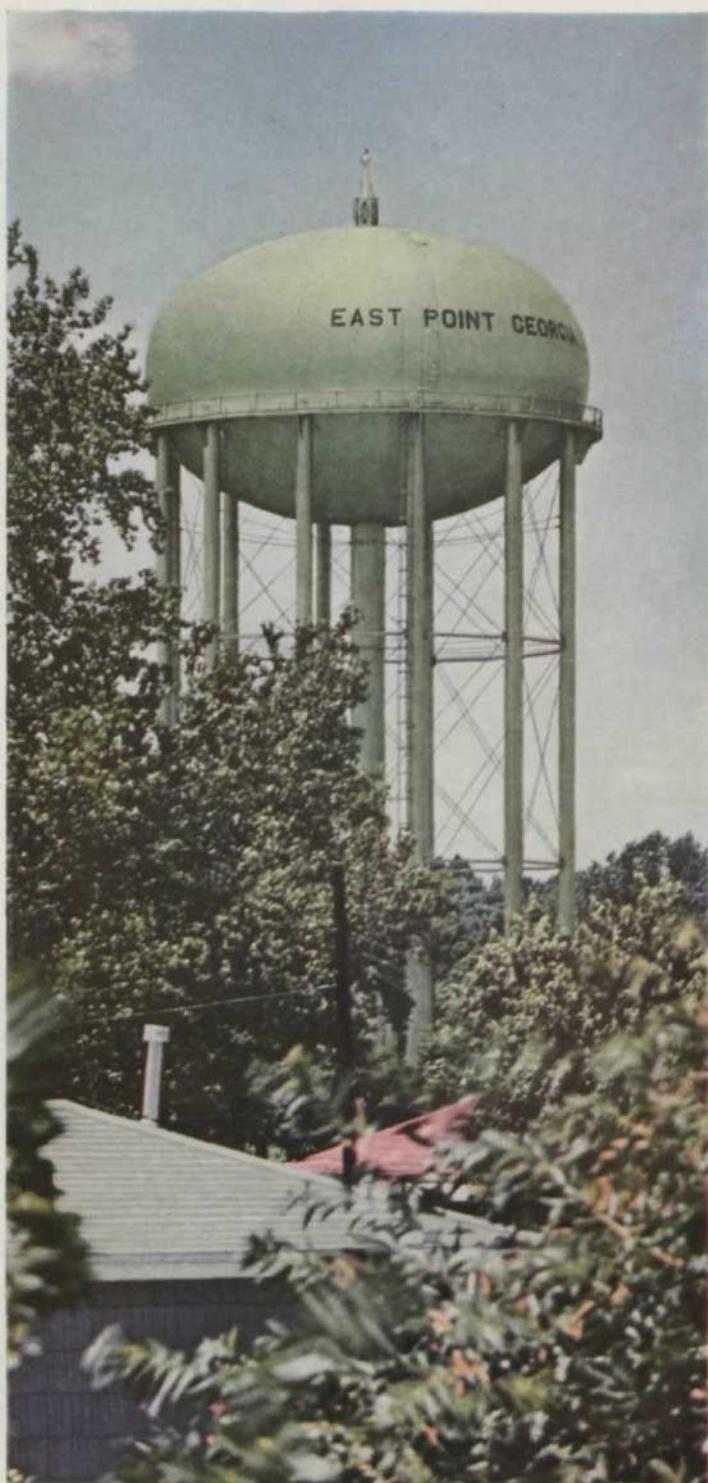
"Colored aluminum paint helps sell Cole tanks, particularly in residential areas," states Mr. John M. Perryman, sales manager, R. D. Cole Manufacturing Co. "Matter of fact, green has become something of a trademark with us." Cole has standardized on Gilmore & Nolan green *Alumizol*, one of the new, colored aluminum paints made with ALCOA® Aluminum Pigment.

A typical installation is the 1-million-gallon overhead water storage tank erected recently in the city of East Point, Georgia. Mayor J. G. Stith writes, "We're very pleased with the appearance of our new Cole tank. It's located in a residential area, and the light green color blends with the landscape."

Always best for protecting weather-exposed surfaces, now good aluminum paint is a better buy than ever with the added advantage of harmonizing colors. See your painting contractor or maintenance superintendent today about improving *your* property (old or new) with a coat of wonderful, new, *colored* aluminum paint.

ALCOA does not make paint, but ALCOA Pigments are used in more aluminum paint than any other brand. Special formulas have been developed by paint manufacturers like Gilmore & Nolan to solve individual problems. Paints made to these formulas actually cost less, last longer, give utmost protection against heat, cold, sun, rain, smoke and fumes.

Write today for our two free booklets, *Painting With Aluminum* and *Aluminum Asphalt Roof Coatings Make Time Stand Still*. They contain valuable up-to-date information on all types of aluminum paint and aluminum asphalt coatings. Use the coupon.



High and handsome over East Point, Georgia, this Cole tank (by R. D. Cole Manufacturing Co., Newman, Ga.) is protected with green *Alumizol*, a quality, colored aluminum paint made by Gilmore & Nolan, Inc., Los Angeles 23, California.

Aluminum Company of America, Paint Service Bureau
1715-E Alcoa Building, Pittsburgh 19, Pennsylvania

Please send your free booklets:

- Painting With Aluminum*
 Aluminum Asphalt Roof Coatings Make Time Stand Still

Name _____

Company _____

Address _____

City _____ Zone _____ State _____



"ALCOA THEATRE"
Exciting Adventure
ALTERNATE MONDAY EVENINGS





Every ride a pleasure trip . . . on new-type, sound-conditioned concrete



"This new-type, sound-conditioned concrete will still be exciting in 1975!"

Reports JOHN CHRISTY, famous editor of Sports Cars Illustrated



Concrete in eye-catching colors gives new highway safety. Lanes for access, truck-passing and other routing paved in identifying color help drivers see them quickly.

NEW-TYPE

Concrete

"I know. I've driven over it and you can, too, today. This new, continuous-laid concrete makes everything except a billiard table seem rough by comparison. Even with a sensitive sports car, there's never a 'thump' on these highways being built for the new Interstate System."

One trip on new-type concrete . . . you'll congratulate your highway department! What a ride! Smooth, quiet, not a thump. This pavement has no joints . . . only tiny sawed-in cushion spaces you can't hear or feel.

New-type concrete fits 1975 traffic needs. "Air entrainment"—puts bil-

lions of minute air cells into the concrete, prevents roughening by freezing or de-icers. A special granular subbase keeps the pavement level.

Expect these roads to last 50 years and more—with up to 60% lower upkeep costs than for asphalt! Moderate first cost isn't just a down payment!

Concrete means safety: a grainy surface for dependable skid resistance, wet or dry . . . light color to let you see far better at night.

Concrete is the only material that can be accurately engineered to future traffic loads. It's the preferred pavement for the new Interstate System to link 209 major cities.

PORLTAND CEMENT ASSOCIATION

A national organization to improve and extend the uses of concrete

HOUSING AID

continued

Too often, the committee finds, a community doesn't know precisely what its real long-range needs are. There may be complaints about congestion, traffic, blight, uneasiness over inadequate municipal finance, or other factors. But, in many cases, a comprehensive assessment of the community's needs is lacking.

Such an assessment is important and should be made by competent authorities who can pinpoint future requirements for traffic flow, commercial and residential construction, sewers, water, play areas, etc. Equally vital is the need to plan (based on these determined needs) on an area-wide basis, rather than by individual jurisdictions, which invites hit or miss development. The National Chamber has called upon local chambers of commerce to increase their effectiveness in the field of urban development, and has recommended that national business organizations expand their participation in programs for urban development through local personnel.

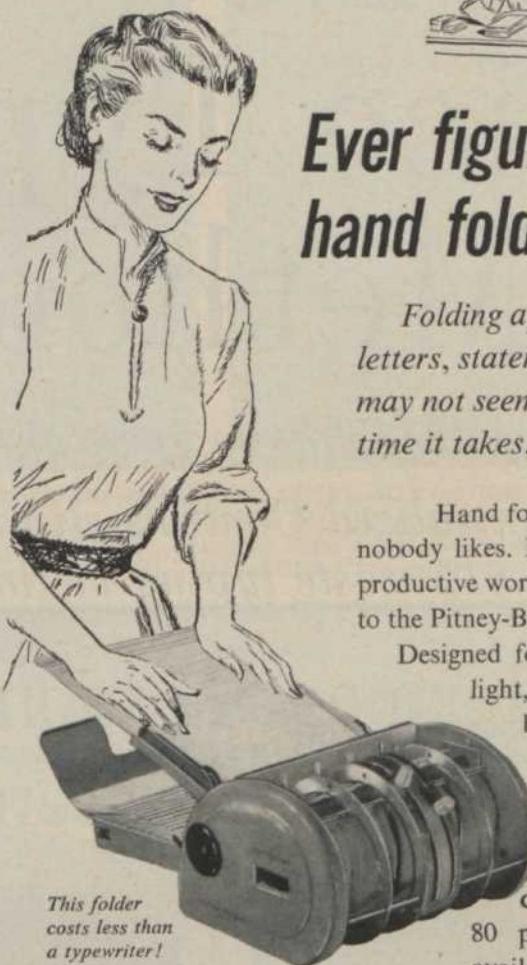
The Chamber committee finds that local governments should increase their capacities for accepting the responsibilities for planning and financing such needed municipal facilities as are not available through private financing and should modernize local governmental machinery to achieve this end.

In the field of state government, the Chamber recommends that necessary planning machinery be set up to aid local jurisdictions in meeting needs for modernizing urban land patterns.

"In this connection," says the Chamber's special committee, "state governments should make the necessary revisions to state constitutions and state laws to permit the combination of state and local responsibility to deal effectively with all problems of urban development. Particular attention should be given to revisions that will assist the financing of municipal facilities and urban renewal activities."

The federal government, on the other hand, is asked to coordinate its policies and programs with the planning of local and state governments.

Washington is urged to develop a long-range plan to greatly reduce the federal aids for urban renewal and simultaneously to relinquish to the states appropriate tax sources to enable state and local governments adequately to handle all necessary financing of municipal facilities and urban renewal activities not available through private financing. **END**



This folder costs less than a typewriter!



Ever figure the cost of hand folding? Wow!

Folding a few hundred bulletins, form letters, statements, envelope enclosures, may not seem like much—but check the time it takes, and you may be surprised!

Hand folding is slow and tedious—a job nobody likes. It diverts your girls from more productive work. And it's unnecessary—thanks to the Pitney-Bowes Model FH!

Designed for the small office, it's simple, light, portable, can be used by anybody. You set it by moving two knobs, easy as tuning in a TV set. *And it costs less than a typewriter!* With semi-automatic feed, the FH can double-fold 8½ by 11 sheets at 80 per minute. Automatic feed, available at slight extra cost, gives it even higher speeds.

The FH can make eight different folds, handles sizes from 3 by 3 up to 8½ by 14 inches, and paper of most all standard weights and finishes. It can also fold stapled sheets.

With only occasional use, the FH soon pays for itself. Ask the nearest PB office for a demonstration. Or send coupon for free booklet.



Move two knobs on inch scales to fold widths wanted—and the FH is ready to go!



PITNEY-BOWES *Folding Machines*

Made by the originator of the postage meter and other mailing machines. 107 branch offices, 302 service points in U.S. and Canada.



PITNEY-BOWES, INC.
1321 Walnut Street
Stamford, Conn.

Send free booklet on Folding Machines to:
Name _____
Firm _____
Address _____

New Office Typing Method

Eases the effort to speed the work!

*New Centralized Controls eliminate up to
81% waste typing motion!*

The Hermes "Motion-Miser" Typing System



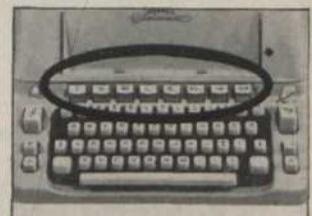
***SAVE $\frac{1}{3}$ COST OF EXTRA MACHINE** with interchangeable drop-in carriages, choice of 12", 13", 15", 18" and 24" sizes!



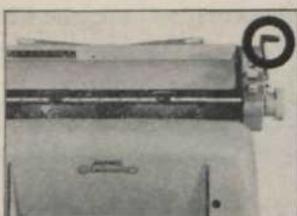
***SAVE 98% CARRIAGE RETURN EFFORT!** Just push a button. Carriage returns automatically, also advances to next line.



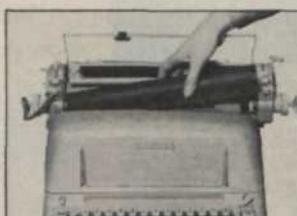
EXCLUSIVE KEY-JAM RELEASE saves time and effort with special push button. Saves dirty hands and washroom time.



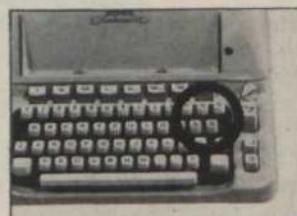
***SAVE 43% DECIMAL TABULATION TIME!** Special keys line up invoice and billing figures to 8 different decimal places!



***SAVE 27% PAPER INSERTION TIME!** Insert sheets, envelopes, labels — one pull of insertion lever advances material to "start typing" depth.



EXCLUSIVE ROLLER SNAP-OUT. Sharp clear typing for the life of machine! Put in new roller in seconds whenever desired. No tools. Typist can do it.



***SAVE 19% SYMBOL-MAKING TIME!** 4 extra keys, your choice of 8 extra symbols. Also half-space ratchet for symbols like H₂O.



EXCLUSIVE TRANSCRIPTION PAD POSITION. Transcription pad fits on machine over keyboard — always in front, no headturning, no lost place.

Write today for name of the franchised Hermes dealer in your area.

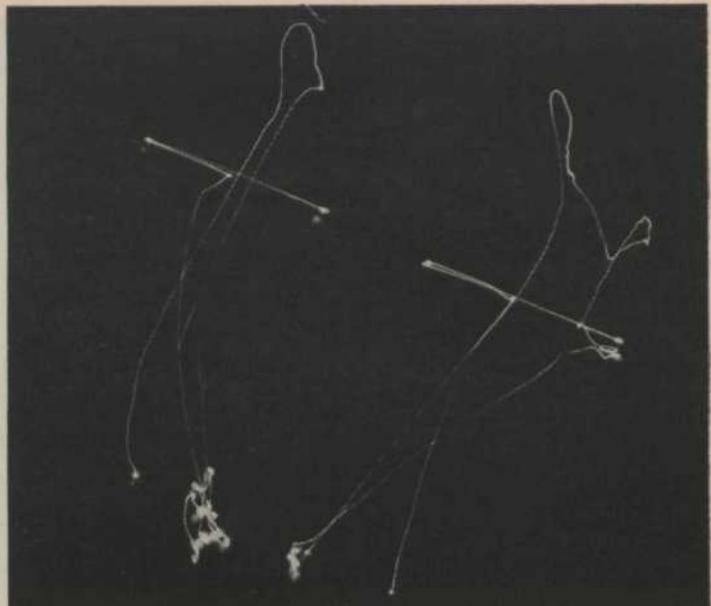
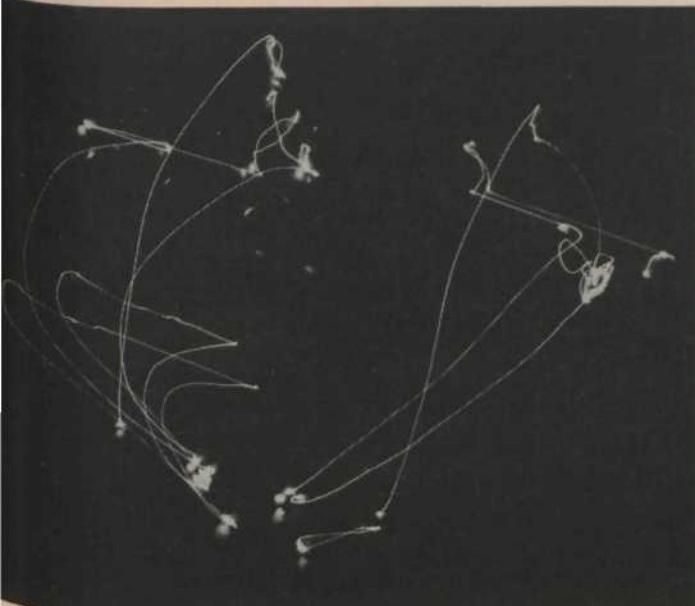
*The savings and the percentages referred to in the text of this presentation have been accurately established and validated in a series of impartial tests conducted by U. S. Testing Company.

TEST NO. 41441 - 4/5/58

HERMES

by PAILLARD — fine Swiss mechanisms since 1814
— Including BOLEX motion picture cameras

PAILLARD Incorporated, 100 Sixth Ave., N. Y. 13, N. Y.



COMPARE EFFORT OF ORDINARY TYPING WITH MOTION-MISER!

Light test photo on left shows motions commonly used in typing a letter (inserting the sheet, setting margins, returning carriage at end of line, etc.). Actual typing excluded. Photo on right shows the reduced effort (by as much as 81%!) for same steps with the centralized controls of Hermes "Motion-Miser" System.



NOT JUST A NEW TYPEWRITER, BUT A NEW STENOGRAPHIC METHOD!



"Joe, it's Bronto Violi— I've had an accident!"

"A lost feeling—standing out on a strange, desolate street in Kansas at 1:15 a.m.—eighteen hundred miles from home. For a moment I wasn't even sure it was my old friend, Joe, I'd aroused. But the extent of my bad luck that night was the accident and the totally wrecked car back on the highway. I did have the address right. The warm house, the hot coffee and bed sure felt good.

"My nightmare wasn't over until the next day. First thing, I called the Hardware Mutuals representative in Atchison. I explained about the accident and how I got off with just a couple of scratches. They immediately checked on the damage and contacted Hardware Mutuals back home in California to verify my policy.

"That's all I had to do! Within 24 hours I received a \$3,900 check from their claims representative, bought a new car and was on my way back to California.

"I'd always heard Hardware Mutuals had a fine reputation for top-notch claims service. \$3,900 . . . you hardly expect a payment like that in one day!"



Mr. Bronto Violi
San Leandro, California

Dividend savings, too!

Fast, considerate claims service makes Hardware Mutuals Family Auto Policy a fine auto insurance investment. Then consider the worthwhile dividend savings our present policyholders are enjoying—savings which make their insurance costs lower. Why not call your Hardware Mutuals man to find out how you could save by switching now? There's an easy payment plan for your added convenience.



Seal of Security

Insurance for your AUTOMOBILE...HOME...BUSINESS

Hardware Mutuals.

Stevens Point, Wisconsin · Offices Coast to Coast

HARDWARE MUTUAL CASUALTY COMPANY
HARDWARE DEALERS MUTUAL FIRE INSURANCE COMPANY

The state of the nation

Federal aid to the jobless would help strengthen union monopoly

AT FIRST GLANCE the Administration's move to extend state unemployment compensation by congressional action may seem to many laudable, though relatively unimportant. Consideration, however, reveals that this seemingly humanitarian measure is actually one of the most insidious of the many centralizing steps taken or advocated by the Washington bureaucracy in recent years. Here is an excellent illustration of the ease whereby the camel of socialism gets his nose under the tent of our constitutional system, in a manner threatening its eventual overthrow.

As an antidepression measure, one should note first, the plan is almost valueless. It would extend, by one half, the period during which unemployment benefit is paid by the states under their various arrangements. Where a state now provides this relief for a maximum of 26 consecutive weeks, as is customary, the figure for the current year would be raised to 39. The total addition to purchasing power would be both widely scattered and small; lacking in the concentrated and stimulative effect that could be expected, for instance, from intelligent tax revision. From the economic viewpoint, therefore, the proposal is a mere palliative and in no sense a cure for unemployment.

• • •

But while this measure would do little or nothing to turn the wheels of industry, it would most certainly throw sand into those of our federal form of government. For, as Senator Robertson of Virginia has cogently said: "The Congress has no constitutional right to appropriate public funds for the benefit of one individual or a relatively small group of individuals, solely because he or they may be temporarily unemployed." By having the necessary money merely loaned to the states, from the federal treasury, President Eisenhower's plan would seemingly circumvent the constitutional obstacle. This roundabout procedure, however, is itself close to an admission that the financing of unemployment insurance is, under the

Tenth Amendment, clearly a state function, in which Washington may recommend standards but has no authority to lay down directives.

Politically, the move is subtle because in making this offer to the 48 states, in an election year, the Administration is going far to force its acceptance, regardless of constitutionality. Whether a state has severe unemployment or little—and quite a number are in the latter category—its governor would find it most invidious to reject this offer, once approved by Congress. While the federal grant would be immediately available there would be reasonable expectation, judging by precedent, that repayment would later be canceled by further congressional action.

Even if this eventuality were averted it would still be true that the proposal is close to an endorsement of outright federal doles to the unemployed. So far, some semblance of the insurance principle has been maintained in the state unemployment

By Felix Morley



SMITH-BLACK STAR

compensation systems. There is a relationship, even if shadowy, between benefits paid out and contributions paid in. A 50 per cent extension of the former without equivalent increase in the latter would vitiate the theory of insurance to the point of extinction, the more so since the plan as drawn would permit a state to repay the federal advance out of its general funds.

Once the principle of a federal dole were thus established, there would of course be no reason whatsoever for terminating it after 39 or any other specified number of weeks of unemployment. If government support is appropriate for nine months of unemployment it is equally appropriate on a 12-month basis. Furthermore, the principle of a continuous dole to the unemployed cannot rationally be introduced as a mere emergency undertaking. The jobless individual is equally meritorious whether one of 10 or one of 10,000 in like case in his community. So if it becomes public policy to substitute federal doles for unemployment insurance during a depression, there will remain no valid argument against doing so in times of booming prosperity also. The encouragement to shiftlessness can be as well imagined as described.

• • •

An equally dangerous outcome, though of quite different character, lurks behind this seemingly harmless proposal. To extend unemployment benefits, by federal action, would give to big unionism, which certainly does not lack power already, an even more monopolistic grip on the economic life of the nation. In years gone by the care of its unemployed was a primary trade union responsibility and to this laudable end was democratically devoted a large proportion of all union dues. As government has taken over this responsibility there has been less and less control over accounting by the membership; more and more of what the Senate Rackets Committee calls "incredibly loose practices" and "the misuse of union funds including outright thefts." This trend will strengthen if government takes over all responsibility for the support of unemployed trade unionists. For that development would enhance the dictatorial power of union leadership by further weakening its responsibility to the membership.

No gift of prophecy is needed to visualize the outcome. With their out-of-work members receiving continuous benefit checks, union leaders would be in a position to press just as continuously for higher wages for those at work, regardless of either productivity or the amount of unemployment. Uncle Sam would take care of the jobless, and the more lavish their unemployment benefits the better the case for upping the wages of those at work.

Already we see this development suggested by the simultaneous rise, in recent months, of wages, prices and unemployment—a paradox never witnessed in any previous depression.

In addition, an outright discrimination in favor of the unemployed trade unionist is concealed in the proposal for federal extension of state unemployment benefits. Only about two thirds of the total currently out of work are insured against unemployment under the various state systems. But trade union members are practically all covered in this manner. Therefore the proposal to extend the benefit period by half its term, at public expense, amounts to further favoritism to the unions, and to gross discrimination against the unemployed who are not insured and who are really the forgotten men and women in this picture.

The case for a continuous federal dole is said to be strengthened because supplemental unemployment benefits, provided by management in a number of labor contracts, are also running out. But this argument only emphasizes the potential discrimination against the unorganized, who do not receive these benefits from the state or from industry.

It would certainly be proper for the state governments to make their unemployment insurance systems mandatory for all, if and as that is the will of their people. But this is far from saying that it would be desirable for the Congress to cement the already favored position of organized labor, at the expense of the unorganized, by general legislation in a field so clearly reserved to the states. Such a move would be a virtual repudiation of the right to work laws already adopted by many states. And it would be the more undesirable in view of the still incomplete revelations of the gross abuses of power now seen to go hand in hand with compulsory unionism.

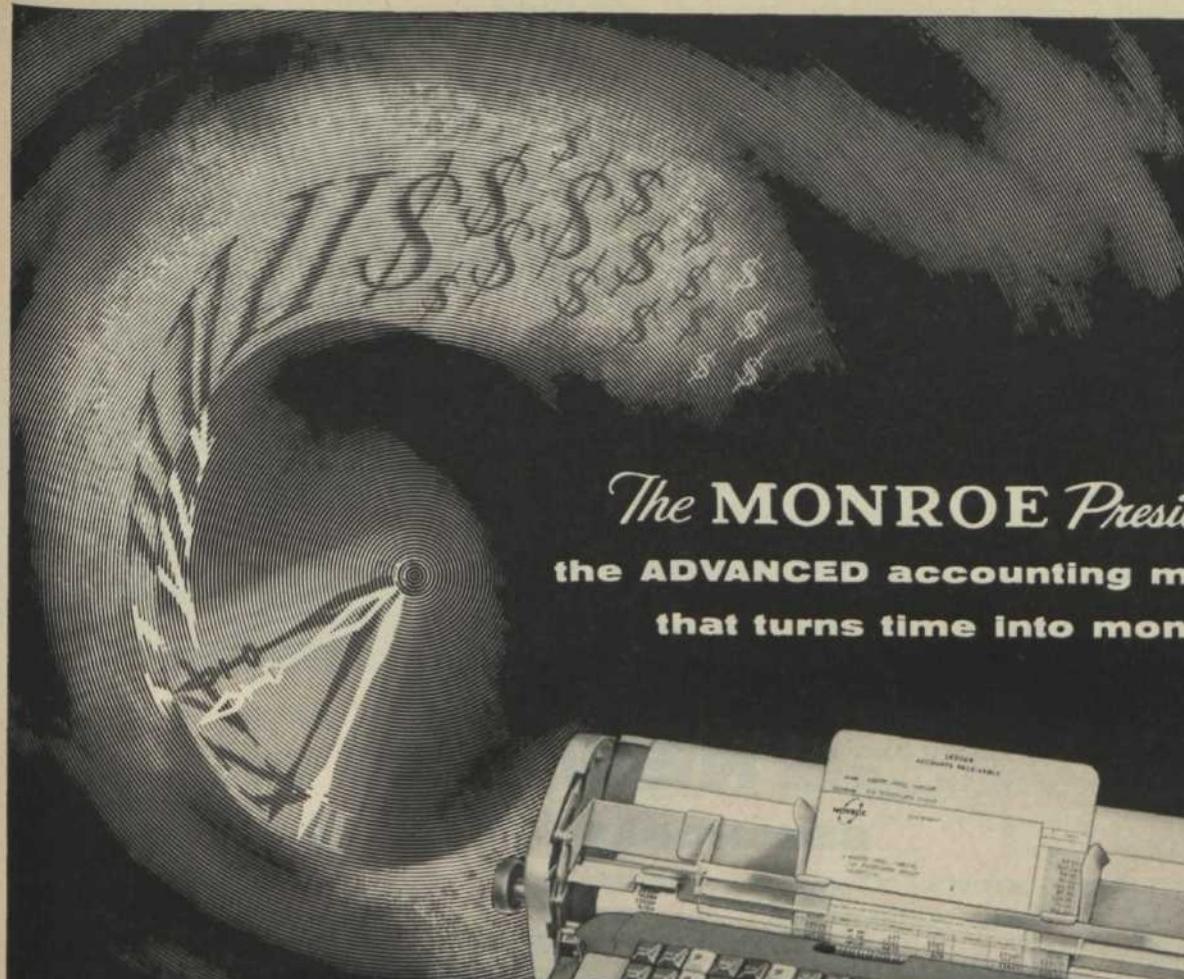
• • •

Other arguments, of a secondary character, can of course be made against the Administration plan to extend unemployment insurance benefits by congressional action. For instance, at a time when unemployment is uneven, with good jobs available in a number of areas, this would operate to freeze those out of work into the districts where there is least opportunity. Any such rigidity operates to prolong and not to mitigate depression. The case against the proposal, however, is based on counts of more fundamental importance:

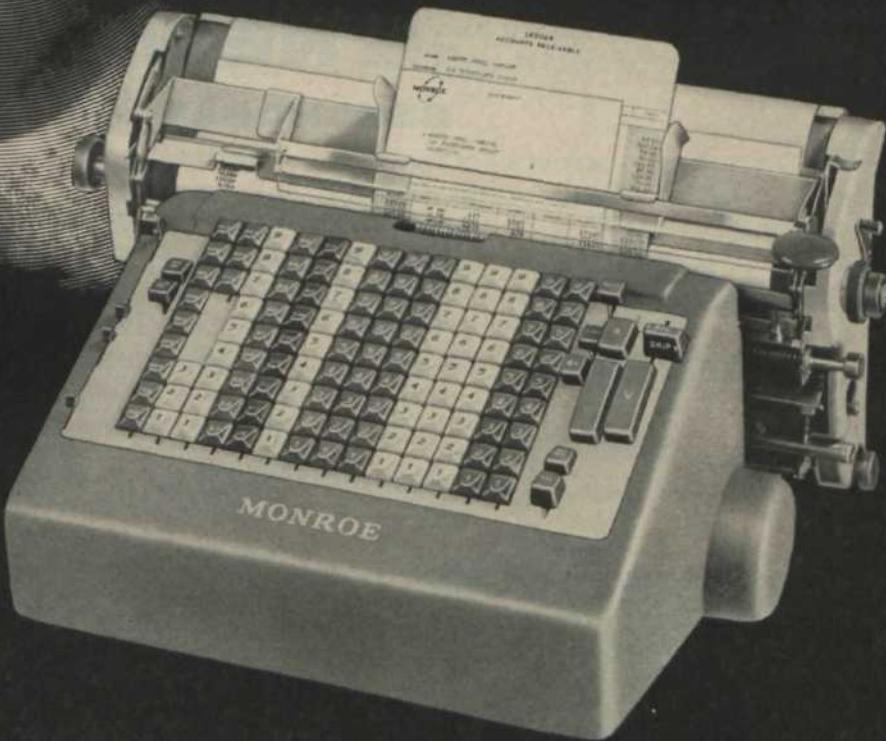
It would be a move toward the establishment of socialistic doles as an approved policy of the United States.

It would encourage this deterioration at the expense of state sovereignty in a field heretofore strongly resistant to federal encroachment.

And in the process Big Union monopoly would be strengthened at public expense and to the detriment of all those who have not yet been compelled to join the ranks of organized labor. .

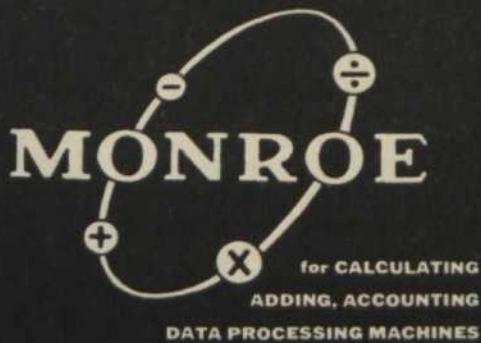


The MONROE President
the ADVANCED accounting machine
that turns time into money



Even if you paid hundreds of dollars more, you couldn't buy an accounting machine more automatic, easier to operate than the advanced Monroe President. Beside the large initial savings, you also enjoy continuous savings through fast, efficient bookkeeping. And you can switch from payroll to receivables to payables with a simple flick of a knob. The Man from Monroe in your area is an accounting methods expert. Seek his advice. Ask him to make a free analysis of your present accounting practices. For big business accounting at a small business price . . .

Monroe Calculating Machine Company, Inc., Orange, New Jersey
Offices for sales and service throughout the world



for CALCULATING
ADDING, ACCOUNTING
DATA PROCESSING MACHINES



THE NEW 200 *mile-per-hour* BEECHCRAFT TRAVEL AIR

**the QUIETEST
plane in the
skies**

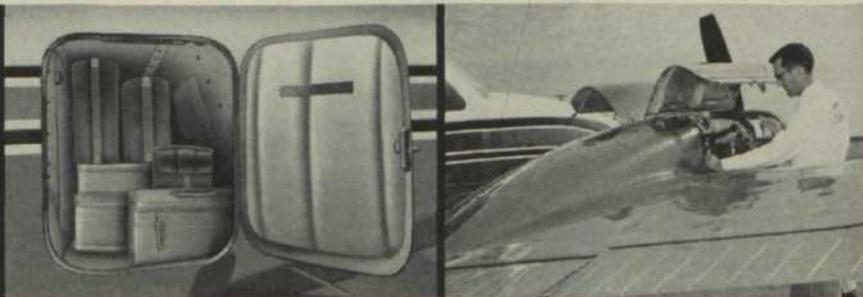
So quiet you won't believe it... so vibration-free it's like sitting in your own office... so luxurious, so smooth, so much more for your money... that's the All-New Beechcraft Travel Air for 1958. A demonstration ride will prove that this is the truly outstanding airplane in the light twin field!

A quarter century of experience has gone into the New 1958 Travel Air. Its rugged and right design assures maximum performance and durability. But with rugged construction also comes the beauty and distinctiveness of superior styling.

The Travel Air gives more time to manage, more time to sell. Montreal to Mexico City is an easy Travel Air trip with just one stop for fuel!



Simplicity of flying plus visibility



One of two spacious luggage compartments



Complete accessibility for servicing

The four-place Beechcraft Travel Air
RANGE — up to 1,410 miles nonstop
SPEED — up to 209 miles per hour

Beechcraft



For information about the Travel Air and the finest leasing and financing plans in aviation, see your Beechcraft distributor or dealer, or write Beech Aircraft Corporation, Wichita 1, Kansas, U. S. A.

BEECHCRAFTS ARE THE AIR FLEET OF AMERICAN BUSINESS

Washington mood

Political clash on recession cure may be a benefit to the economy

THE ANGRY DEBATE over the recession, with the two political parties vying for advantage, would be distressing except for one thing. Both the Democrats and the Republicans are counting on an upturn in the economy. What's causing most of the noise is an argument over who will deserve the credit.

For veteran newsmen in the Senate and House press galleries, the debate has a familiar ring. This is because the charges and countercharges are really echoes from old political wars.

Some Democrats would like to think of the conflict as history repeating itself; that is, as another battle between the ideas of Franklin D. Roosevelt and Herbert Hoover. This is certainly farfetched, if only because the business downturn of 1958 is a great deal less severe than the depression in 1933.

What we have been seeing here, it would be more accurate to say, is a battle between the ideas of F.D.R. (greatly modified) and those of Dwight D. Eisenhower.

If the Democrats have been bolder in trying to combat the recession—or more reckless, as the Republicans charge—the explanation is to be found in the New Deal of 25 years ago.

If President Eisenhower has been more cautious, and has seemed to apply a brake to the Democrats, the explanation lies in the past, too. It will be found in his 1952 campaign speeches, particularly those dealing with inflation and the shrinkage in the value of the dollar.

Obviously the Democrats in Congress and President Eisenhower and his Republican adherents have the same goal—to help the unemployed and to lift the economy out of a rut. The big difference between them is in their approach to the problem—their approach and their attitude.

The Chief Executive has insisted from the beginning that the recession is temporary and that there are no grounds for pessimism. He has argued that recovery depends far more upon private industry than upon the government in Washington. Finally, he has reminded the country that he has an

obligation to think not only of this period of recession, but of "the years ahead."

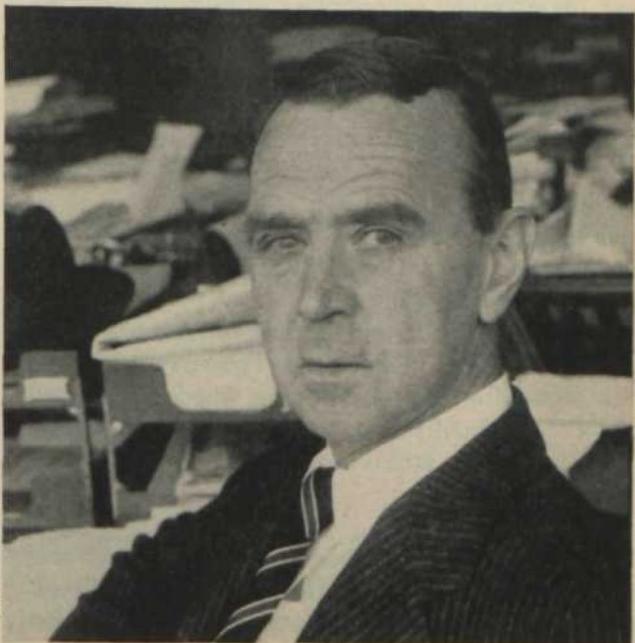
What he is saying, in effect, is this: "What good would it do if Washington, by pumping too much money into the economy to help the unemployed, unbalanced the national budget for years to come and brought on another surge of inflation?"

• • •

The Democrats who dominate Congress today, notably Senator Lyndon Johnson and Speaker Sam Rayburn, both of Texas, are political moderates. They would like to agree with President Eisenhower that private industry can lead the way to recovery; in actual fact, however, they lean strongly to the belief that a beefing up of the economy is primarily a chore for the government.

In the opinion of these men and other Democrats, President Franklin D. Roosevelt wrote one of the brightest pages in their party's history in

By Edward T. Folliard



1933. His attack on the depression he inherited from Herbert Hoover kept the Democrats in power for 20 years. They still quote memorable passages from F.D.R.'s first inaugural address—"The only thing we have to fear is fear itself" and "This nation asks for action—and action now."

It is this last that has inspired the Democrats in dealing with the 1958 recession. They believed that the American people looked to them for action, fast action, bold action. They set out to seize the initiative, arguing that this was forced on them by President Eisenhower's timidity—what some of them have called his "do-nothing policy."

The President certainly has not been altogether idle. Neither has he been wanting in ideas. However, it is true that he has tried to slow down the Democrats. He has repeatedly warned that too much pump-priming could be "building trouble for the future" and causing the recession to degenerate into something "not temporary but chronic."

Better to understand his position—his remarks that he is not going to get frantic or be stampeded or panicked into action—it would be well to go back to his first race for the Presidency in 1952. His big task in that campaign was to explode the Democratic argument that a Republican victory would endanger prosperity.

General Eisenhower may have been a political novice, as he called himself, but he succeeded brilliantly in doing what he started out to do. He contended that the prosperity that the Democrats were boasting about was a false prosperity, false because the dollar had lost nearly 50 per cent of its buying power in less than a decade.

"We now see our dollar spoken of as a 52-cent dollar," he told the crowds. "We have got to do something about it, and now. The first thing we need in a stable economy is stable money. We need a government that can check the menace of inflation. . . . Clemenceau once said that war is too serious a matter to be left to the generals. Today someone might well say that inflation is too critical a matter to be left to the politicians of expediency."

He promised the voters that he would halt inflation, balance the national budget, and establish a sound and stable dollar.

Unhappily, the President has not been able to make good on his pledge. The Treasury is headed for a whopping deficit, and the words "balanced budget" are hardly ever heard around here any more. Inflation is still a problem.

Nothing that has happened in his six years and four months in the White House has caused President Eisenhower so much chagrin as the continu-

ing rise in the cost of living, which has persisted in the face of the recession. The phenomenon made it possible for his bitter political foe, former President Harry S. Truman, to say here in February: "This is quite a feat, to have price inflation and recession at the same time."

The situation is even more awkward for President Eisenhower in view of contradictory statements he has made. Thus, in talking about the high cost of living a year ago, he advised Americans to buy selectively and carefully. They should not, he said, be "spending recklessly and adding fuel to this flame." More recently, however, he has been urging the people to buy, even though prices have not come down. He has been telling business that it ought to go in for better salesmanship, better packaging and better advertising.

"I believe that the upturn in our economy will be the result of millions of citizens making their purchases, having greater confidence," he said in March. "In other words, the private economy has a way of steering its own course, and the federal government and the state governments are not, themselves, the most important factor in these dips and turns in the economy."

• • •

Meantime, a good deal of hypocrisy fills the Washington air as the politicians argue over who is to get credit for what is being done, the while they look ahead to the congressional elections this November and to the big one in 1960.

The spokesmen for the two parties say it is a time for a moratorium on politics, and they assail each other for playing politics with the recession.

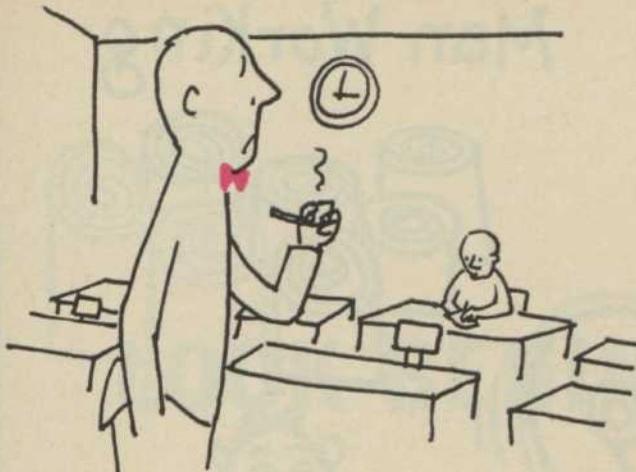
Listen to Meade Alcorn, chairman of the Republican National Committee:

"The American people demand that the Democrats halt their legislative medicine show in Congress and get to work on the carefully prepared recession cures submitted by the Administration. . . . The American people want the recession handled as an economic problem—not as a political matter."

Paul M. Butler, chairman of the Democratic National Committee, denounces the Eisenhower Administration for its "wait and see" policy and for trying to soothe the people with honey-coated assurances as was done by the Hoover Administration after the 1929 crash.

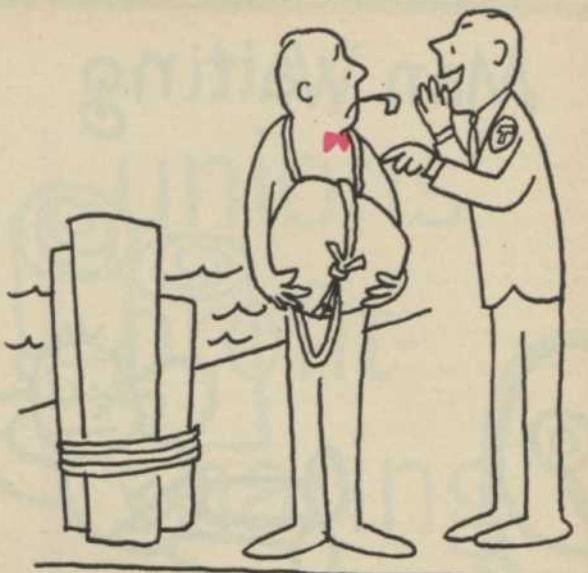
"How much longer must we wait before the American people are given some measure of presidential leadership?" Mr. Butler asks.

There is no certainty about it, of course, but it is just possible that the United States could benefit from this clash between Democratic boldness and Republican prudence. It certainly will if the result is recovery without dangerous inflation. A governmental machine, like any other, has to move, sometimes at high speed. But it also has to have brakes.



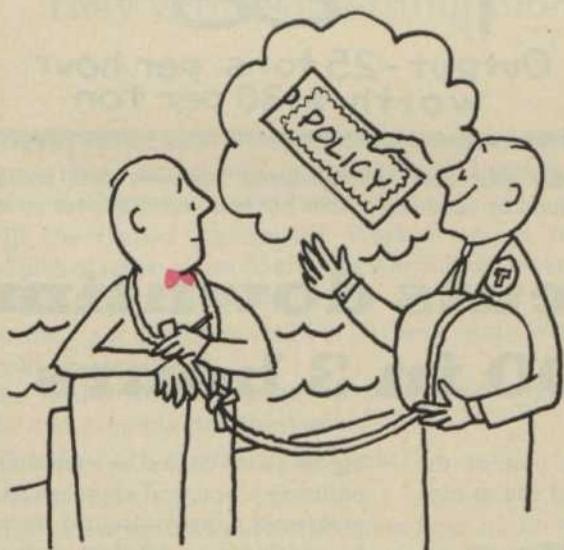
1.

Jack Parker paid good money, but his workers wouldn't stay.
Alas, he couldn't understand what tempted them away.
"Oh why," he pondered sadly, "has my help all flown the coop?"
A man from Travelers heard the tale and fed our Jack the scoop.



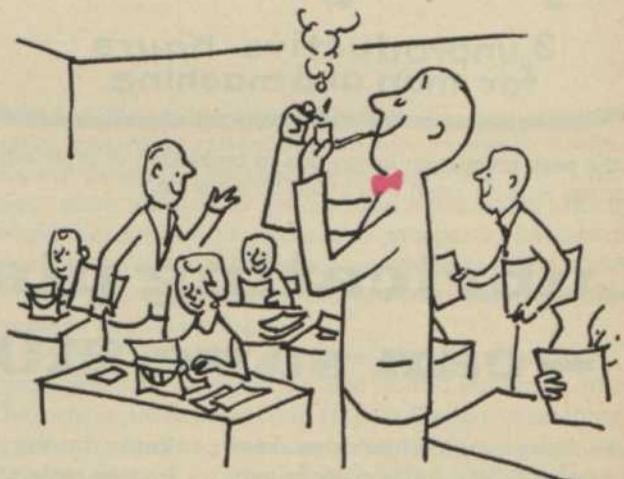
2.

"Your people want a program of Group benefits," he guessed.
"My business isn't big enough to have them," Jack confessed.
"Not so. With Travelers, only ten* employees are required
To give big-business benefits to everyone you've hired."



3.

"Suppose a worker breaks his leg. The bills are off his neck.
You gave him Major Medical—The Travelers writes the check.
Add life and accident insurance, and a pension plan. What's more,
Your benefits are big ones, yet *your costs will never soar.*"



4.

"The Travelers plan will fill the bill. I'll sign," said Parker then.
No mass desertions now among his Group-protected men.
Big benefits are in your reach. Just try this selfsame plan.
Why waste another minute? Call your trusty Travelers man.



THE TRAVELERS

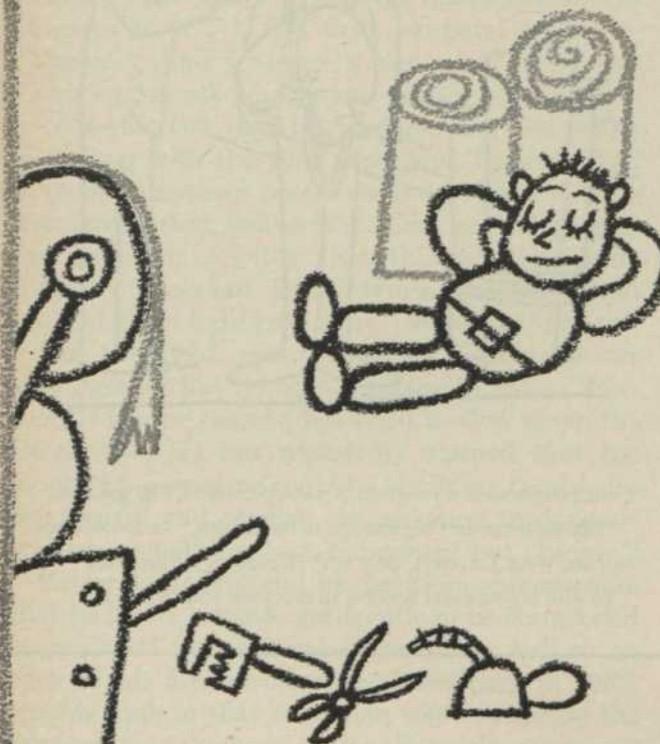
Insurance Companies

HARTFORD 15, CONNECTICUT

*Minimum of fifteen required in Florida.

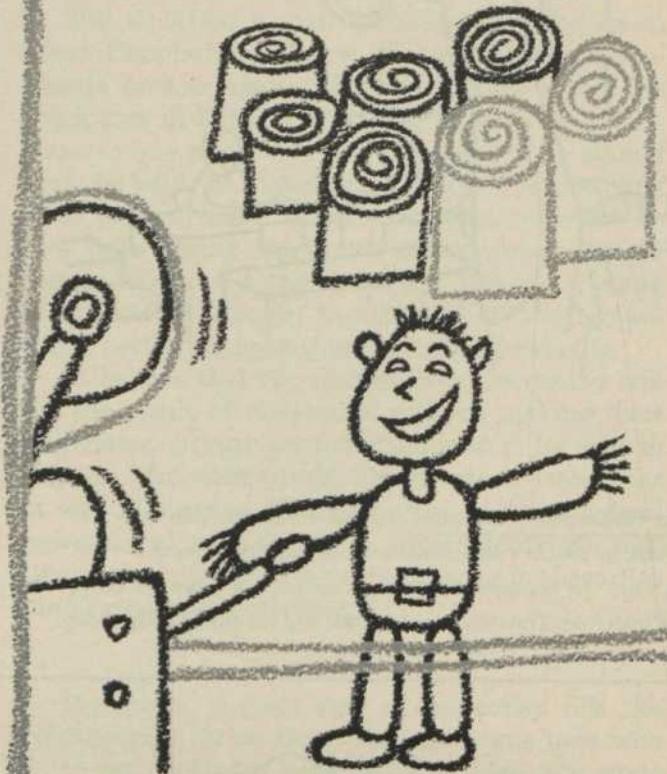
All forms of business and personal insurance including Life • Accident • Group • Fire • Marine • Automobile • Casualty • Bonds

Man Waiting



3 unproductive hours
for man and machine

Man Working



Output - 25 tons per hour
worth \$130 per ton

In the past, production losses due to breakdown of dryer roll bearings were so small they could be made up.

Today shut down of high-speed machines puts production behind by hundreds of tons per hour—quickly piles up losses.

Lubricating plan cuts downtime —can save \$10,000 in 3 hours

Not so long ago, machines shut down by bearing failure could make up production losses. Today volume output and integrated production mean that production losses are losses in profit. These are the reasons behind management's growing concern with lubrication methods in their plants.

Take this example from the paper industry: they used to figure \$500 for a bearing, \$500 for labor (idle time and repair crew) and expected to make up losses on the two or three hours downtime. Today, high speed machines produce twenty-five tons of paper per hour worth \$130 per ton. You can't ignore \$3,000 an hour in production

losses. In this case, the cost of the bearing replacement could run as high as \$10,000.

Lubrication problems differ with specific industries, but the basic principles are the same. Many companies are finding that the services of a plant lubrication engineer pay off. His services can extend part life, eliminate production losses, reduce rejects, simplify lubricant inventories and otherwise add to income. Some companies delegate lubrication responsibility to engineers or plant personnel who also perform other duties.

In both cases, Texaco's organization of Lubrication Engineers is function-

ing in all 48 States, as consultants in outlining a practical approach to these problems. A more detailed discussion is available in an enlightening booklet: "Management Practices That Control Costs Via Organized Lubrication." Write The Texas Company, 135 E. 42nd St., New York 17, N. Y., Dept. N11.



LUBRICATION IS A MAJOR FACTOR IN COST CONTROL

(PARTS, INVENTORY, PRODUCTION, DOWNTIME, MAINTENANCE)

LOOK BEHIND

unions' profit-sharing demand

Labor leaders' aims and past opposition suggest they want something more than share of returns

WALTER REUTHER'S controversial demand that business share profits with employes and customers raises some important questions:

- Will the United Automobile Workers accept the principles of employee profit-sharing which have proved necessary to a successful plan?
- Do the UAW president and his advisers really want a profit-sharing plan?

The record indicates a "no" answer to both questions, and prompts this third one:

- What does Mr. Reuther really want?

Others:

- What effect would the Reuther plan have on investors? On taxes? What would it cost stockholders? The government?

If it had been in effect in General Motors during 1956, the plan would have cost the government a net loss of \$295 million in income taxes.

GM income after taxes would have been cut \$290 million and earnings reduced from \$3.02 actually earned to \$1.97 per share.

The 656,000 stockholders, who greatly outnumber the employes, would have taken a cut in dividends. GM would not have been able to pay, out of earnings of \$1.97, the \$2 dividend it paid in 1956.

Employes—GM had 371,000 on an hourly basis in the United States—would have shared \$300 million. The same amount would have been shared by purchasers of the 3,508,000 cars and trucks produced in the United States.

One of the strong fears of automobile management is that if earnings can be affected year to year by profit-sharing programs imposed on management it will become more difficult to get necessary financing, which would be a blow to expansion prospects. Investors would look for other businesses in which to invest their savings where earnings would not be diluted through employee profit-sharing.

Moreover, financing a business has always been a responsibility of management, and should remain so, one Detroit executive points out. Once collective bargaining is permitted to enter into the question of profit-sharing, he says, there is an immediate conflict with the financial responsibility of management.

Another asserts that through his profit-sharing plan Mr. Reuther plans to appropriate a portion of the share belonging to those who risk their money in the business.

There is a big difference between employee profit-sharing as practiced under more than 20,000 existing plans, and the management-stockholders-employees-customers split-up idea the UAW is testing in current negotiations with major automobile manufacturers.

These differences, combined with the expressed objectives of the UAW and its leadership, have stirred up serious concern over the future of our business system, established collective bargaining principles, and profit-sharing itself.

This concern stems not only from automobile management, which is the first to face the UAW's drive on this new issue, but also from other business leaders, experts on employee profit-sharing, companies having

or planning to install profit-sharing arrangements, and even from other union officials and members, including some in UAW.

Here are some of the problems they see:

In the opinion of business leaders, Mr. Reuther and other labor leaders want a greater voice in business decisions. This is something they have been getting gradually through increasing bargaining power as they move toward the ultimate objective of joint labor-management-government control of business.

This fear seems to be well founded in the light of the UAW's past and other unions' continuing attacks on profit-sharing plans; labor's opposition to the basic principles of employee profit-sharing, and Mr. Reuther's conviction that he can overcome labor's inherent objections to profit-sharing by giving labor a veto power in most management decisions. This would include determination of profits and their distribution.

Look at the record:

The UAW summed up its view—which has not changed—in this headline over an article in the April 1949 issue of *Ammunition*, monthly publication of the union's research department:

"What's Wrong With Profit-sharing Plans?"

"They Undermine Purchasing Power When You Need Purchasing Power Most; They Make Workers Pay For Company Mistakes; and They Don't Work."

Today Mr. Reuther is pleading for increased purchasing power as the solution to our economic ills, yet he wants profit-sharing which his union has said would undermine purchasing power when it is needed most.

The answer to this inconsistency seems to be: Mr. Reuther does not want the standard profit-sharing plan, but one that he can control. He must feel confident, too, that the UAW is strong enough to assure that the workers won't pay for company mistakes.

George Meany, AFL-CIO president, reflected some of this thinking. Asked to comment on the Reuther



FORD CO.'S BREECH:

Reuther proposal "would invite increasing demands for union veto power over day-to-day management decisions"



J. J. JEHRING, director, Profit Sharing Research Foundation:

Employe profit-sharing plan must be profit producing, not profit consuming

proposal, he qualified standard labor suspicion of profit-sharing with the view that the UAW could protect itself against its "evils."

The "evil" most frequently mentioned by labor is that profit-sharing is an incentive to work harder so as to lower costs and increase profits through higher productivity, which will increase profits and workers' earnings.

A member of the UAW Research Department told an AFL-CIO conference last year that elimination of incentives has always been a major goal of UAW. The union opposes incentive arrangements, he said, because they lead workers to concentrate on making more money instead of how to make their jobs easier.

Mr. Reuther made clear at the special UAW convention last January that the membership need have no fear of any work speed up.

In reply to a delegate's qualms on this point, the UAW chief reminded the convention that the union has always fought for decent production standards; that this is the one issue on which the union may strike at any time despite the over-all no-strike provision in the automobile labor contracts, and that the UAW was not going to degenerate into a soft union.

"We will still go on fighting," he said, adding that the plan the UAW is seeking is as different from employer-introduced profit-sharing plans as night is from day.

One of management's strongest fears is that on the theory that, under profit-sharing, a company is doing business with the employes' money, the UAW will claim a right to review every company activity and the company will have to keep its books available for constant inspection by union auditors.

The union's demands already include a union voice, through a joint study committee, in decisions involving plant relocation and decentralization, technological changes, hours of work, output and related matters.

The Reuther proposal, in the opinion of Ernest R. Breech, chairman of the board of Ford Motor Company, "would invite increasing demands for union veto power over day-to-day management decisions."

"Budgets for advertising, research and engineering, new-model tooling; capital expansion plans; make-or-buy decisions—all would be viewed by the union as affecting profits," he says.

A delegate to the UAW convention confirmed Mr. Breech's fears in these words:

"The profit-sharing plan would extend the field of collective bargaining and cut down the field of management prerogatives. If we get it even in a watered down form, management can never again say to us that the amount of profit they make is none of our business. They will have to sit down and bargain with us about it."

Another delegate, opposed to profit-sharing, seemed disturbed that the workers might be expected to help the company make a profit.

"The present profit-sharing plan as presented seems to carry with it an inherent weakness," he said. "It seems to carry the strong suggestion that, if we are to share profits, we must take a responsibility for seeing that there be profits."

Advocates of employee profit-sharing have two special concerns over the Reuther proposal.

One is that Mr. Reuther's disregard for true profit-sharing principles and the controversy with the automobile industry will give employee profit-sharing a bad name if the differences between the accepted plan and what the UAW wants are not clearly understood.

The second is that growing union interest in employee profit-sharing will discourage employer interest and halt the tremendous postwar spread of such plans. Reasons: An employer will be reluctant to install a plan, or might even discontinue an existing plan, because he may lose control of the plan in case a union wishes to include it in bargaining.

Even an employer with no union might legally be barred from abandoning a profit-sharing plan when a union moves in. Such a step might be construed as an unfair labor practice.

Of 400 companies which are members of the Council of Profit-Sharing Industries, only one third deal with unions, and only a handful make the profit-sharing plan a part of the labor contract.

Even in the latter cases, according to Joseph B. Meier, the Council's administrative vice president, the union usually exercises only a token interest in its operation; for example, a voice in how the part of profits available for sharing will be divided among the employees.

Cash profit-sharing plans, which is what Mr. Reuther wants, have a high mortality rate. A recent study of 114 cash plans shows almost one third have been discontinued since 1946. With regard to deferred plans, usually providing retirement benefits, less than one tenth have been abandoned.

The reason given most often for discontinuance is union opposition. Objection to cash plans: Union leaders prefer to see all of the money go regularly into pay envelopes. Objection to deferred plans: Union leaders



REUTHER:

Plan UAW seeks is as different from employer-introduced profit-sharing plans as night is from day

want members to have a fixed pension instead of retirement income geared to profits.

A majority of profit-sharing plans are of the deferred type, providing for retirement, group insurance, sick benefits, layoff pay, and the like, rather than immediate cash payments. Automobile industry sources point out that these types of benefits are assured under UAW contracts without regard for profits.

What Mr. Reuther is up to hardly jibes with the basic principles and objectives of employee profit-sharing. Here is what some of the experts say:

J. J. Jehring, director of the Profit-Sharing Research Foundation, makes two points:

- An employee profit-sharing plan must function in an atmosphere of cooperation, not antagonism, between employees and management.
- It must be profit-producing, not profit-consuming; it must increase profits, not reduce them.

Yet Mr. Reuther, while asking for a share in profits, attacks profits as an evil. The UAW convention resolved to fight any management attempts to cut costs by stepping up the production rate.

Jay V. Strong, a pension consultant, adds that instead of trying to produce more profits, Mr. Reuther wants a share of existing profits. A profit-sharing plan should not cost anything, Mr. Strong says, because it is supposed to produce more than enough extra profits to pay for itself.

Under the Reuther plan, the union would decide each year in each company how the workers' share of profits would be distributed. It might be a cash bonus or be used to increase pensions, holiday pay or vacation pay; implement a shorter work week, or for some other purpose.

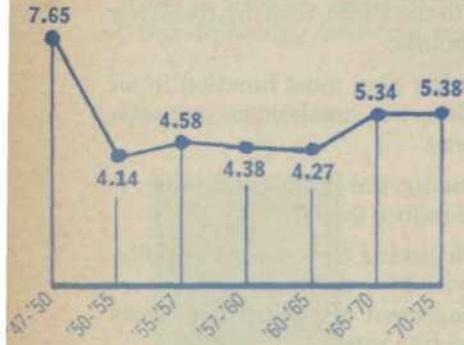
UAW's General Motors Council has already decided that, if it gets the profit-sharing plan from GM, at least part

(continued on page 76)

HOUSING NEEDS TAKE NEW DIRECTION

Here's revealing
size-up of future
housing market

Net increase expected
in household units
(in millions)



Growth will be stable for about 10 years, following drop from '47-'50 increase of 7.65 million units.

The upturn should come from 1965-1970

HOUSING is again one of our most publicized national problems.

Congress has passed, and the President has reluctantly signed, a bill which is expected to encourage construction of 100,000 to 200,000 new housing units each year. Cities are alarmed that increasing population pressures will mean that slums will grow faster than they can be cleared. Others fear that cities will become so large as to be unmanageable; that they will encroach seriously on land needed for food production.

Such fears raise serious questions and deserve serious attention.

- How well have we been meeting our recent housing needs?
- What will be the shape of these needs in the future?
- How many houses will we need?
- What problems will cities face?

Fortunately, on closer examination, we find that the housing standards of the future will be much higher than we have been led to believe and that cities will be more manageable than we have imagined. The problems we face may not be the problems we have anticipated. The problems we do face will not solve themselves but they are not insoluble.

What we have been doing

Our population is growing at the rate of 3 million a year. Housing experts tell us that, to provide for these new people, and to achieve minimum housing standards in a reasonable time, we must add 1.4 to 1.5 million or even more housing units each year.

After allowing for a growth of about 900,000 in the number of households each year, this amount of building would permit the demolition, abandonment or conversion of 500,000 to 750,000 or more units each year.

Preliminary Census data suggest that about 10.5 million units occupied in December 1956 were substandard in some way. If we eliminated 500,000 of these units each year it would take us 20 years to replace them all. At the rate of 750,000 a year, the job would take 14 years.

In these 14 or 20 years, more existing housing would become substandard, so that, at the end of the period, millions of houses would still need improvement, change or destruction.

But, according to Bureau of Labor Statistics reports, we averaged just under 1.2 million new housing starts a year from 1950 to 1957, and slightly more than 1.1 million from 1956 to 1957. These figures suggest that we are falling behind the desired rate of home building by as many as 750,000 units per year. The building of an additional 750,000 units a year, at an average cost of possibly \$14,000 each, would mean \$10 billion added directly to the economy. After allowing for new utilities and services, such as roads, stores, schools, etc., another \$7 billion or more of outlays might be required each year for this amount of housing. Such an expansion of construction activity

might add four per cent to over-all outlays in a direct fashion and the multiplier effects might bring up the total another four per cent or so, making an addition to the GNP of possibly \$35 billion.

So the question arises:

Is this added amount of construction really needed to provide the quality and quantity of housing Americans want?

The Census Bureau and the Bureau of Labor Statistics have issued a little-noticed report which does a great deal to answer this question. It shows that we have been adding by new construction and by remodeling and conversion, which the BLS does not cover, about one half more houses than have been reported as new starts alone.

This report says that, instead of adding 1.2 million units a year to the housing stock, and tearing down possibly 200,000 each year, we have been adding about 2 million units a year by new construction, remodeling and conversion. We have been tearing down or otherwise dealing with more than 675,000 units per year. (The underreporting of the BLS was due to inadequate funds.) The result has been a net increase in available housing units, according to the Census, of more than 1.4 million units a year.

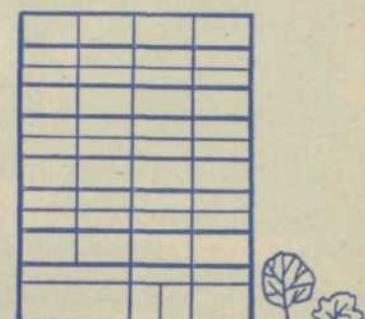
In addition, owners have been improving existing units. As most single-family units are owner occupied, and as the competition for tenants is getting stronger in multifamily units, the incentive for fixing up existing units is strong. As a result of both new construction and improvements, the Census reports, the number of standard units has increased on the average by 1.8 million a year. Households, meanwhile, were increasing by roughly 900,000 per year.

This high construction, rehabilitation and improvement, according to the Census, reduced the number of substandard units by 5,160,000 between April 1950 and December 1956. A continuation of this rate would eliminate all 1950 substandard units in less than 15 years.

The Census reported, however, that we had added nearly 2.1 million substandard units from 1950 to 1956, at a rate of about 310,000 a year. The net reduction in substandard units was, therefore, only about 560,000 a year. So even if all of 1950's substandard housing

(continued on page 98)

For older and younger people—increased emphasis on apartments



and mobile homes

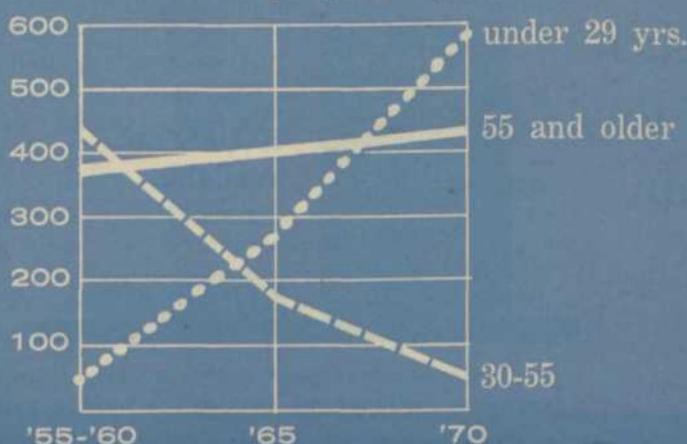


Mobile home sales have risen from

3% of total in 1950 to
6% in 1955,
10.5% in 1957

Changing housing market

rate of change in household formations by age groups (in thousands)



MANPOWER

what we have-what we'll need

A Nation's Business interview with **Prof. Eli Ginzberg**, consultant on human resources

Dr. Ginzberg, how would you characterize the future manpower needs of the United States?

One would want to make a distinction first between quantitative and qualitative needs. On the quantitative side, it is clear that we are entering a period when, if the economy is to expand at about the same rate as it did up to 1957, we will be relatively hard pressed to find the numbers of people we'll need over the next 10 years or so.

That doesn't mean that I foresee any real shortage but I don't see much elbow room in the labor market so far as the numbers go. We are reaching a point where the gains that we can accomplish by taking people off the farm or out of the household are getting less and less.

We are now down to an all-time low in our farm population and a large percentage of our married women already are working.

We have some margins left in terms of a revision of the retirement age and some people can still come off the farm.

Have you attempted to make any qualitative projections as to need, say, over the next decade?

To estimate the qualitative aspects of our labor force, we undertook to find out how many people of very high intelligence our type of economy has available and what kinds of jobs require such people.

Accepting that an I.Q. of 140—the top one per cent of the population—means a very high intelligence, we now have a maximum potential of something like 700,000 people, assuming a labor force of, roughly, 70 million.

Actually, that figure overstates the number of very intelligent people now available because many of them have not taken the training to develop their aptitudes fully.

Many of the women with high aptitudes are not available for work, for instance. We are lucky if we have 100,000 of such people available now.

How dependent on such people are we?

In certain research areas I don't think it is possible for a person really to qualify for topnotch work unless he fits within this narrow 140 I.Q. band.

I would say business could also make good use of people of 140 I.Q. or above, but it has a little wider group within which to choose.

“ We're suddenly much more conscious of the importance of brain power and people of high talent ”

we have
700,000
people
with
superior
I.Q.'s

but we're
lucky if
100,000 are
available
for work.

Then qualitatively we do face a real shortage?

I would say that all through history every society has always faced a qualitative shortage. It may not have recognized it, but no society ever had as many good writers, good doctors, good businessmen, good government employees, and good scientists as it could profitably use.

The important point is that we have suddenly become much more conscious of the importance of brain power and people of high talent. The rate of our economic development and our defense position depends to a high extent on breakthroughs in knowledge and these people are absolutely crucial for that.

However, there is a point I'd like to make on that. There are some important jobs in our society which currently are not—and in my opinion, for some time won't be—held by college graduates.

Take trade union leadership. With one exception, there is no union president who is a college graduate.

However, the proper management of trade unions by able people is an important prerequisite for our society.

In some fields, college doesn't make too much of a contribution. It doesn't follow that there would really be a net advantage in having a fine painter or musician go through college.

So, although it is important to make sure that all of these high caliber people get as much opportunity as they can use to develop their aptitudes, not all of them have to go through college, although many more should than are now doing so.

Will college graduates be required more and more in the business field?

Business represents a large segment of our total activity. It tends to reflect the trends in the larger society and in turn has a big influence on the society. As society has tended to increase the amount of education which the average person gets, the level of educational background of the business leaders has gone up.

Will this continue?

I would suspect that, in the selection of people for executive positions, business has given more weight to their educational background than has society as a whole.

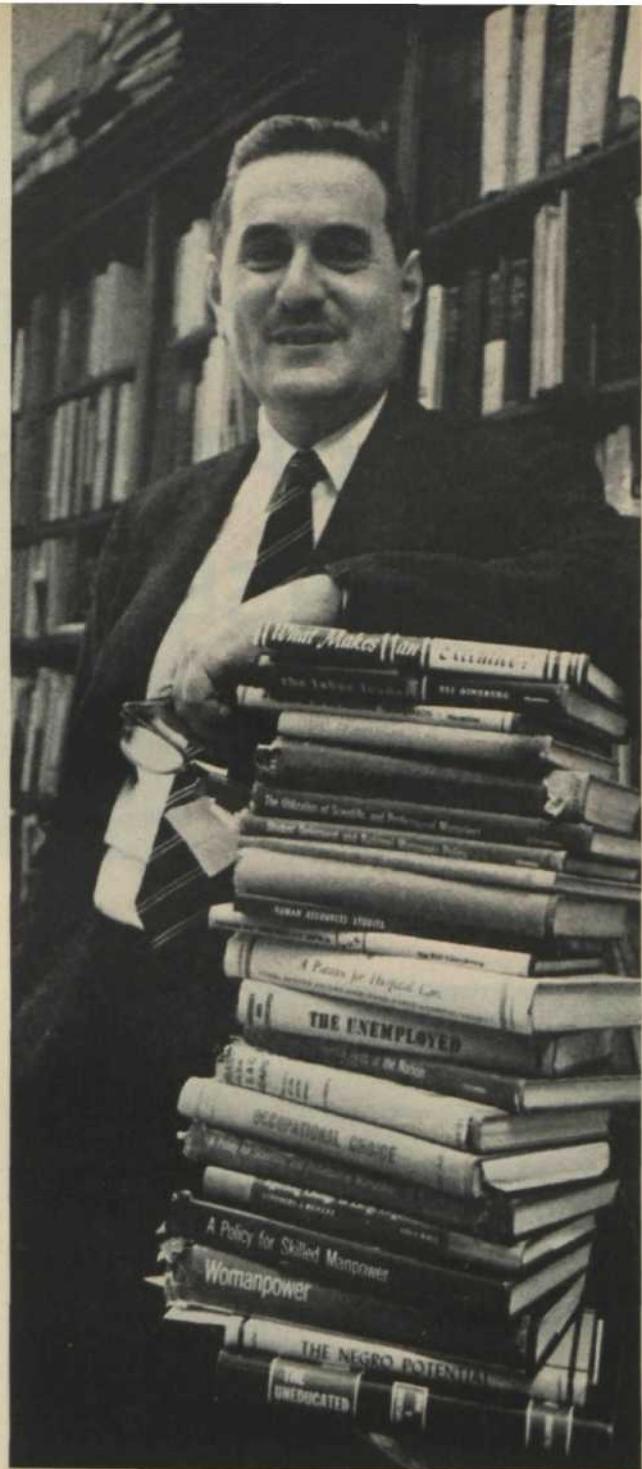
Large-scale business in particular is becoming more and more dependent upon complicated evaluations, analyses, long-range planning and judgments for which formal education is almost a necessity for large numbers in the organization.

So I would look forward to an increasing emphasis, especially in our large business organizations, on trained intelligence.

On the other hand, we pointed out some years ago that business is losing some good potential in overlooking people on the production line who had not gone far with their formal education. If business would spot them and make an added investment in them, it would get good returns.

So you anticipate a future need for searching out executive candidates among blue collar workers?

I will give you a reason (continued on page 86)



ROTKIN-PF

Dr. Ginzberg, professor of economics at Columbia University's Graduate School of Business, also is director of staff studies of the National Manpower Council.

He is a consultant to government on manpower problems and is a frequent lecturer in advanced management courses of large business organizations. Author of more than 20 books, shown with him above, his newest volume "Human Resources: The Wealth of a Nation," will be published next month by Simon & Schuster. It grows out of the work of Columbia's Conservation of Human Resources project, of which he is director.

U.S. CHAMBER HEAD IS OPTIMISTIC CONSERVATIVE

William A. McDonnell, St. Louis banker,
is also lawyer, businessman and farmer

IN THE FALL OF 1956, when the First National Bank in St. Louis was approaching its one hundredth anniversary, its chief executive officer, William A. McDonnell, conceived a typical idea. Instead of spending money on parties, souvenirs and celebration, the bank would make a substantial gift to the city's two leading privately supported, independent universities. This was Mr. McDonnell's notion of saying thanks to the community.

The way the bank chairman put his idea into action is a guidepost to what may be expected of him in his new position as president of the Chamber of Commerce of the United States. First, as he is a firm believer in carrying a service to the recipient instead of summoning the other fellow to come and get it, he personally telephoned Chancellor Ethan A. H. Shepley of Washington University, and the Very Reverend Paul C. Reinert, S. J., St. Louis University president, to ask if he might come to see them. (Both educators since have confessed that they granted the appointments with some uneasiness, fearing that Mr. McDonnell, an indefatigable worker in civic causes, was going to ask them to serve on some committee.)

Then, with no publicity releases, no photographers, he went out and handed each a check for \$50,000. There were no strings attached, and the universities were free to use the money as they wished.

Chancellor Shepley recalls how Mr. McDonnell arrived in his office slightly out of breath because he had by mistake parked at the wrong end of the sprawling campus and he had practically sprinted a considerable distance so as not to be late. The chancellor, an articulate man, was almost tongue-tied when Mr. McDonnell handed him a letter and the check, because "ordinarily, instead of having it brought out to you, you have to beg for a gift of such magnitude."

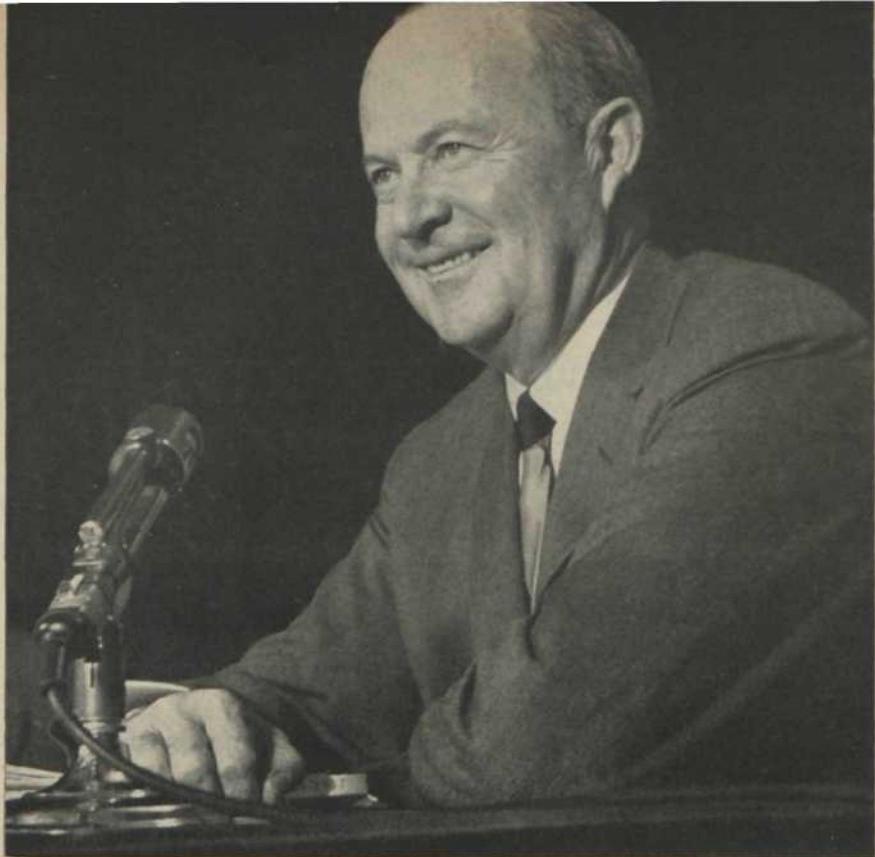
Father Reinert, also a man who suffers from no lack of speech facility, relates: "When he put the envelope on my desk, I proceeded—figuratively—to fall off my chair! I was so stunned I was unable to express thanks adequately." Later, the two college heads hailed Mr. McDonnell's action as "the kind of business statesmanship that is adding strength to our nation's privately supported institutions of higher learning."

While this incident is the most vivid illustration of the St. Louis banker's lifelong habit of carrying services to others, it is by no means an isolated one. Humility is a trait which the new Chamber president wears easily and well, combining it with a natural-born courtesy and humor. The son of a successful but plain-spoken, down-to-earth Arkansas cotton merchant, Bill McDonnell, as his golfing, hunting and business friends call him, does not believe in being stuffy about such things as position or wealth.

For example, Delos C. Johns president of the Federal Reserve Bank of St. Louis, recalls that "when I was in the showcase," being interviewed by the directors before appointment, Mr. McDonnell, then a Federal Reserve director, instead of asking the candidate to call on him, called instead on the candidate.

Clark Hungerford, president of the St. Louis-San Francisco Railway, says, "I can't think of anything bad to say about the guy." He relates that "Bill McDonnell always calls and asks if he may come to see me if he has anything to discuss."

At the entrance to Mr. McDonnell's own handsome but simply appointed office at the First National, are two massive doors, but no one ever has seen them closed. This is in line with Board Chairman McDonnell's policy that anyone—the smallest depositor or the humblest of the bank's approximately 1,000 employes—may come to see him on any problem whatsoever.



CAMERAMEN INC.

MR. McDONNELL says if we can recover without inflationary nostrums the economy will be stronger and consequently the outlook will be brighter than ever

ever. Comments an associate: "I've seen him go far out of his way to help a messenger, a guard—or a vice president—on some personal matter."

At 63, the new Chamber of Commerce head has had an impressive career spanning law, business and civic activities. The law was his first profession, but he transferred to banking in Little Rock, where he spent most of his boyhood, and today is the chief executive officer of the First National in St. Louis, an institution with year-end assets of more than \$664 million. He is director of numerous corporations, including McDonnell Aircraft Corporation, founded and headed by his younger brother, James S. McDonnell, which, in only 19 years, has become the St. Louis area's largest employer (J. S. McDonnell, in turn, has become a director of his brother's bank); the Frisco Railway; Southwestern Bell Telephone Company; three insurance companies, the American Insurance Company of Newark, American Central and General American Life, and the First National's affiliated St. Louis Union Trust Company. He is a past board chairman of the Chamber of Commerce of Metropolitan St. Louis; a past president of the Little Rock Chamber, and was a director, vice president and treasurer of the National Chamber before election as president.

He also has held offices with state and national banking associations, and has served on numerous civic committees. He was general chairman of the first United Fund Campaign of Greater St. Louis in 1955, and is one of the 21 men—frequently described as the "leading citizens" of St. Louis—selected by the city's Democratic administration to make up the vigorous, nonpartisan group, Civic Progress, Inc., which has scored remarkable success in civic problems.

Recently the Federal Reserve Board appointed him as one of 12 bankers

(continued on page 53)

HARRIS-BLACK STAR



BUSY SCHEDULE of business, banking, civic projects and Chamber of Commerce work still leaves the McDonnells time at home

HERE'S HOW TO MAKE JOBS

Without correct stimulus unemployment can continue to rise even after decline is ended

By **JULES BACKMAN**, Economist, New York University

OF ALL THE STATISTICS issued on the current economic scene, unemployment data are the most dramatic. The figure of 5.2 million unemployed has been the subject of much discussion and controversy.

Unfortunately little attention has been given to the changes which led to this volume of unemployment. Such attention would have given more point to the discussion and removed the cause of much of the controversy. It would have shown:

- There is no identity between the increase in unemployment and the decrease in the number of jobs.
- The end of the recession therefore—although it may already be in sight—will not of itself halt the rise in unemployment.
- What is needed, then, to halt the rise in unemployment, is not only to end a recession but to stimulate a new rise in the economy.

This suggests that we need to re-evaluate the public works and other spending schemes that have been suggested as economic stimulants.

Looking first at unemployment, we find that in March 1957, with the economy at boom time levels, we had about 2.9 million unemployed. This was about the normal unemployment which results from seasonal factors, workers moving from job to job, inclusion of unemployables and related causes. The increase of approximately 2.3 million in unemployment between March 1957 and March 1958 was due in part to the increase of 764,000 in the labor force. Actual employment declined 1,554,000 or by a little more than two per cent. In March 1958 the picture looked like this:

(IN THOUSANDS)

Unemployment, March 1957	2,882
Additions to the civilian labor force	764
Reduction in number of jobs	
Agricultural	362
Nonagricultural	1,192
Total unemployment, March 1958	5,200

Although increased productivity was in part responsible, a large part of the decrease in the number

of jobs, from March 1957 to March 1958 reflected the reduction in economic activity.

As of February 1958 total industrial production had declined 11.6 per cent. In some industries, the decline was considerably greater. Thus steel production was down more than 40 per cent, automobile output, 30 per cent, and carloadings more than 20 per cent.

On the other hand, activity was well sustained in other areas. Electric power production is slightly higher than a year ago. Retail sales have declined only one per cent while government spending is once again increasing.

In attempting to evaluate employment trends in the months ahead it is important to know how much further business is likely to decline. A brief rundown of the major factors at work indicates that the overwhelming proportion of the decline is now behind us.

The major factors in the current decline are the shift from an accumulation of \$5 billion in inventories to a rate of liquidation approaching \$7 billion; the reversal of the plant and equipment boom; the decline in exports and the slower rate of rise in debt. Although inventories will continue to decline, practically all of the adverse impact of this decline in employment has been experienced. However, some slowing up in the rise in new debt and a further decline in plant and equipment spending still lies ahead.

As against these areas of decline, our stepped-up national defense program and the recessionary spending measures already approved will add some \$2 to \$4 billion to federal spending for goods and services. At the same time, state and local spending continues to rise at an annual rate of between \$2 and \$3 billion. It seems probable that this rise of \$4 to \$6 billion in government spending will offset all or most of the further decline in plant and equipment spending.

The rate of inventory liquidation has become so rapid in some industries that later this year the liquidation should be substantially completed. For example, steel inventories apparently are being used up at a rapid rate. It is probable, therefore, that later this year, some increase in steel activity will take place. The same situation prevails for other materials.

The biggest area of economic activity is consumer

spending which accounts for almost two thirds of the total. Thus far, total consumer spending has declined less than two per cent. The most important single factor determining consumer spending is personal income after taxes. While there is some deviation from time to time, consumer spending does tend to follow closely the changes in disposable income. The outlook for personal incomes, therefore, is of considerable importance in this area.

The largest single source of consumer income is labor income, which accounts for 70 per cent of the total. The loss of 1 million jobs reduces labor income by 1.5 per cent. Labor income already has declined from an annual rate of approximately \$250 billion to about \$242 billion or by about three per cent. This decline has reflected the elimination of overtime in most industries (hours of work have dropped from 40.1 in March, 1957 to 38.5 in March, 1958) and the decrease in the number of jobs referred to earlier.

What is the outlook for labor income? Practically the entire adverse effect of elimination of overtime already has occurred. However, some allowance must be made for a reduction in the length of the work week which takes place under conditions of recession and the possibility of a further small drop in employment.

As against the losses in labor income from these sources, wage increases already scheduled average seven cents an hour and more for steel, railroads, aluminum, and other key wage pattern industries. These 1958 wage increases are the result of long-term labor contracts. General Motors has offered to extend its present contract thus assuring a minimum increase of 2.5 per cent or six cents an hour to all of its employes (the average will exceed six cents an hour) plus cost of living adjustments. Although these increases in wage rates under present conditions do create pressures for unemployment, they improve the buying power of those who continue to work.

Moreover, those who lose their jobs do not experience a complete loss of income. Under state unemployment compensation plans, most workers receive an average of between 30 and 35 per cent of their former income in the form of unemployment compensation (many railroad workers receive close to 50 per cent). Thus, the outlook for labor income and unemployment compensation combined appears to be for a minor drop from the level now prevailing.

On balance, it is likely that other elements in personal income will record little change. Rental and interest incomes should continue to rise moderately while dividend payments will continue to decline. Farm income is estimated to show little change from last year.

With personal incomes so well sustained, there is no reason to believe that we face a collapse in consumer buying. For products for which spending can be postponed—automobiles, furniture, big appliances, carpeting, and other durable goods—consumers have been delaying their purchases. But as the data on retail sales to date indicates, consumers have been maintaining their buying of soft goods at about the level of a year ago.

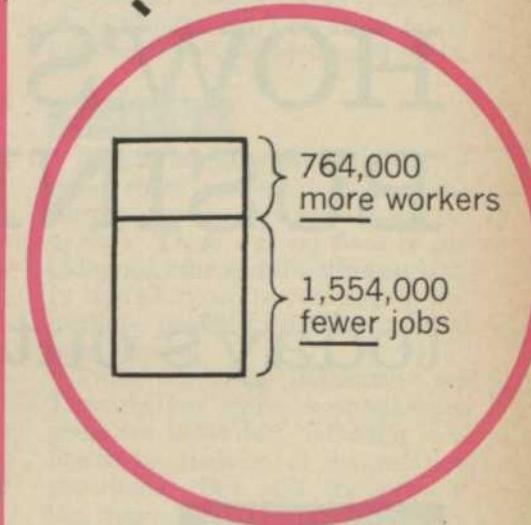
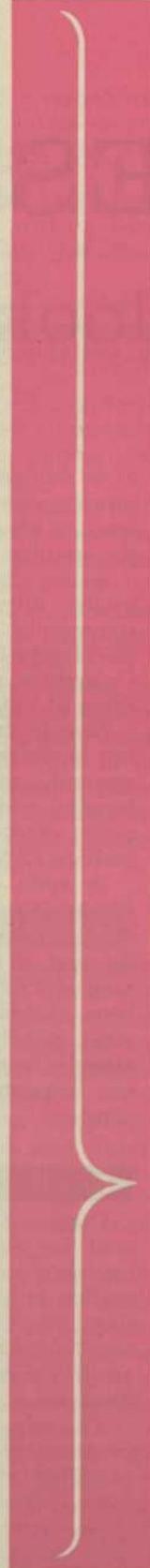
The net effect of these pressures suggest that the economy may stabilize on a plateau not far from the present level.
(continued on page 44)

Employment picture

67,510,000 labor force



2.3 million unemployment increase '57 to '58



1/3 of increase
in unemployment
since 1957
is due to growth
of labor force

An authoritative report by the staff of the

HOW'S BUSINESS?

today's outlook

AGRICULTURE

Although it is too early to estimate field crop production this year, one thing is evident: Farmers will again demonstrate their ability to achieve near-record levels of production with near-record minimums in planted acreage.

Based on farmers' indicated spring planting intentions for 16 crops, the U. S. Department of Agriculture Crop Reporting Board estimates that total crop acreage for 1958 will dip below last year's 40-year low by about 1 million acres.

The ultimate acreage planted will depend to a considerable extent on final participation in the acreage reserve. Since Congress increased acreage reserve funds from \$500 million to \$750 million, a waiting list representing about 6 million more acres is eligible. This would bring the total sign-up to nearly 18 million acres, compared with 21 million last year.

If intensive fertilization and favorable weather are combined with the exceptionally good spring moisture conditions, near-record crop output will probably be achieved in spite of the reduced acreage.

CONSTRUCTION

By breaking down the normally all-inclusive annual housing act into about three parts, this year's total legislation in this area could add up to nearly three times as much as that of 1957.

For example, S. 3418, signed by the President last month, came to

\$1.85 billion. This Act took up a considerable portion, financially at least, of what is ordinarily a part of the omnibus act.

A few days later, Senator Fulbright introduced his expansive community facilities proposal (S. 3497) which the Senate Banking Committee decided was worth another \$1 billion plus.

Now in the air are general housing hearings. These concern urban renewal, public housing, college housing, middle-income housing and a few other items, and would add perhaps \$2 billion more.

In spite of such pump-priming efforts, it's doubtful that their influence could be felt much before the end of this year or the beginning of 1959, when economic problems should have lessened somewhat. But these programs will have already been indelibly imposed on our economy for many years to come.

CREDIT & FINANCE

Congressional actions during the next few weeks in the finance field may taper off but considerable attention is being devoted to legislation which would aid depressed areas, provide long-term funds to small businesses as well as federal funds for community facilities.

The three proposals amount to approximately \$4 billion—and would establish new precedents for federal intervention in local problems.

One private alternative to federal aid: Statewide, privately financed development credit corporations

Government spending

\$73.8 spending estimate \$73.9
(billions)



continue to grow in number and effectiveness.

Newly proposed legislation in the Senate and House would aid banks to meet expanded demands for business credit—Federal Reserve member banks would be permitted to count vault cash as reserve and could be reclassified for reserve purposes. Central reserve city banks would have legal reserves lowered to 10-20 per cent from 13-26 per cent.

Total Treasury cash financing up to year end should total about \$13 billion.

DISTRIBUTION

Retailers are now beset with the problem of how to pry loose inactive consumer dollars and get them into stores' cash registers.

Here's the way things shape up: Personal incomes are down slightly, but still high. Consumer outlook is tempered with caution and price-consciousness, which accounts for declining demand and a tendency to save or postpone buying. Current figures reveal that the proportion of after-tax income being applied to debt payment is higher than in previous postwar recessions.

People appear to be satisfying their needs, but not their wants. This is borne out by food and drug stores reporting sales rise, while appliances, autos, other durables move sluggishly.

Department store sales hover in the shadow of last year's level—off by two per cent.

While conceding that broad price

Chamber of Commerce of the United States

reductions would stimulate sales, many retailers are waiting for their suppliers to take the initiative. Others step up cut-price sales.

FOREIGN TRADE

Despite a slow-down in exports from their peak rates of a year ago, traceable mainly to diminished demand for certain U. S. raw materials and foodstuffs, and to a decline in dollar resources of some of our foremost trading partners, U. S. trade in 1958 with most areas of the world is expected at least to equal high pre-1957 levels.

A U. S. Department of Commerce review shows that U. S. imports also prospered in 1957, but at a much more moderate rate than exports, which experienced an unprecedented boom. The surplus of exports over imports—nearly \$7 billion—in commercial trade last year was by far the widest since immediately following World War II.

Dollar receipts abroad from sales to the United States this year may be smaller than those of 1957 because of reduced U. S. demand for foreign raw materials.

The rise in the export surplus last year was financed mainly through a swing from net accumulation to net liquidation of gold and dollar assets by foreign countries, and points up the increasing importance of a sustained or increased level of U. S. imports to pay for exports.

GOVERNMENT SPENDING

Congress is faced with a proliferation of spending proposals which pretend solace to the consumer, but which in the long run promise to send prices soaring and cut into his purchasing power. With an election year facing them, many members of Congress will tend to grab for the bird in hand and face the implications next year.

However, there are good indications that stronger personalities will take command and try to keep the more grandiose spending plans within bounds. They are armed with a better understanding from back home on the nature and extent of the recession.

The deficit for fiscal 1958 is assured. The new fiscal year, 1959, will start and end as a deficit year. With the acceleration of spending in exist-

ing government programs and the adoption of new ones, the deficit will probably range from \$7 to \$10 billion.

LABOR

Upward trend and pressures on wages will continue, despite unfavorable economic climate, and will squeeze profits even more.

Long-term wage contracts covering some 4 million workers have built-in increases which also affect new contract settlements.

Aluminum industry, for example, is committed to a nine cent hourly increase in August despite the recent price cut.

Existing contracts will also force higher wages in steel, railroads, meat packing, copper mining and electrical manufacturing.

Major automobile companies have offered the auto workers a six cent boost, which will be the minimum settlement. Teamsters got a 10 cent increase from truckers in 27 states, with a promise of seven cents more next year and again in 1960.

Also, under pressures created by the McClellan Committee's disclosures of labor corruption, some union officials feel they will have to be more aggressive in bargaining, either to justify their jobs or demonstrate that they have no collusive arrangement with management.

NATURAL RESOURCES

By the year 2000, requirements for wood in the United States will nearly double. This is the prediction made by the U. S. Forest Service in the most comprehensive national timber appraisal yet made.

Encouraging findings are: Forest industry owned lands and public lands are in well managed, productive condition; we face no timber shortage; and we are growing more wood than we are cutting.

To meet future wood demands, however, there must be more intensive forest fire prevention and control, improved timber utilization practices, more adequate forest protection against insects and diseases, and planting of nonproductive acres.

The Forest Service indicates the critical problem, and the key to future timber supply is the great need for better management of small private tracts.

Bright spot is industry's Ameri-

can Tree Farm System directed by American Forest Products Industries, Inc. Industry foresters have introduced good forestry practices on 11,623 private Tree Farm tracts totaling 45,190,557 acres in 45 states.

TAXATION

Results of congressional study of grass roots sentiment during the Easter recess became apparent quickly. There was no flood of tax reduction bills and the strong urgency behind the expressed need for immediate, possibly temporary, action has lessened.

There are many indications the Treasury has made comprehensive plans for a tax bill, including emphasis on revision of depreciation provisions. But still the prevailing congressional sentiment hovers around provisions designed to expand personal exemptions, splitting the first bracket, reducing the basic individual tax rate, tax credits based on the number of exemptions, or a moratorium from withholding for a month or two.

Despite growing recognition of the need for tax reforms to restore flagging individual and economic incentive, political factors stand a better than even chance again this year to shape our tax legislation.

TRANSPORTATION

Legislation designed to aid transportation has suddenly become one of the major items of this congressional session.

High on the list of matters likely to receive attention in Congress is the transportation excise tax. The legislators are also listening attentively to pleas to end a similar tax on communications. Another item under active consideration is government backing for private loans to carriers of all modes for equipment purchases. A third matter concerns legislation which will enable the railroads to step up their discontinuance of unprofitable passenger services.

Congress also probably will look at the confusion surrounding the agricultural exemption in the Interstate Commerce Act. Narrowing this exemption is possible though farm groups oppose it.

In this election year, early action may be the key to whether any legislation will be forthcoming.

Unemployment may increase by half a million a year if economic activity does not have a significant increase

What would be the effect on the total volume of employment if this forecast proves to be accurate? The combination of increasing productivity and the increasing size of the labor force would mean a rise in the volume of unemployment after allowance for seasonal factors.

The following tabulation shows the annual changes in the size of the civilian labor force since 1947:

CHANGE FROM CIVILIAN LABOR PRECEDING YEAR	FORCE (in thousands)
1948	+ 1,274
1949	+ 663
1950	+ 994
1951	- 215
1952	+ 82
1953	+ 849
1954	+ 653
1955	+ 1,380
1956	+ 1,682
1957	+ 416
Average	+ 778

The average annual increase in the civilian labor force in the past decade has been 778,000. The decrease in 1951 and the small rise in 1952 reflected the effects of the Korean war with its accompanying increases in the armed forces. In the recession years 1949 and 1954, the civilian labor force increased by about 650,000. There is a tendency for the civilian labor force to increase at a slower rate in recession years.

This is due to the forced retirement of many older persons, who can obtain social security payments, and the failure of housewives and younger people to enter the labor force—or withdraw from it—because of the reduction in job opportunities.

Another factor affecting the number of additions to the labor force currently is the low birth rate in the late thirties. If we assume a lower rate of increase such as we had in 1949 and 1954 and allow for the lower birth rate of the late 1930's, the labor force would increase by about 500,000 this year. In the absence of an upturn in business, the volume of unemployment would increase correspondingly.

It must be emphasized that these

figures are only approximate, since year to year changes in the size of the labor force have tended to be highly irregular.

The volume of unemployment also may be affected by a further rise in output per man-hour because it will take fewer workers to turn out the same volume of goods.

The following tabulation shows the year to year increases in output per man-hour for the private nonagricultural economy during the post-war years:

PER CENT INCREASE IN OUTPUT PER MAN-HOUR	
1948	2.5
1949	3.4
1950	6.3
1951	2.0
1952	2.3
1953	2.5
1954	1.7
1955	3.6
1956	0.2
1957	1.2

Normally, one would expect a somewhat smaller rate of increase in output per man-hour in years of recession because short term declines in production tend to have an adverse impact upon the level of short term gains in productivity. If output per man-hour rises at the rate of about two per cent, which is the long term rate of gain, we would require approximately 1.25 million fewer workers to perform the present volume of economic activity; if the rise in output per man-hour is less, the number of workers affected would be reduced accordingly.

Of course, an increase in productivity may lead to a cut in the number of hours worked by the present working force as well as a reduction in employment. The probability is that some combination of these two developments will take place.

If we assume that the reduction in employment and in hours worked will be of equal importance, the total number of unemployed could increase by some 600,000 due to rising output per man-hour. Thus, the net effect of the increase in the labor force and the increase in productivity could be to add 1 million or more

workers to the number of unemployed even though economic activity remains near the current level.

It should be emphasized that these are rough estimates of what can happen under the assumed conditions of unchanging economic activity, a rise of about two per cent in productivity, and an increase of 500,000 in the size of the labor force. The precise change in unemployment will be affected by any departures from these assumptions.

Nevertheless, the important point is the tendency for the volume of unemployment to rise in the absence of a significant increase in economic activity.

It is against this background that the current controversy concerning the efficacy of public works and tax reductions as stimulants must be evaluated. The actions required to stop a decline in economic activity are not always the same as those required to stimulate a new rise in the economy; the latter appears to be the more important problem for the months ahead.

In connection with any proposed programs, it also must be remembered that we now face the prospect of a federal budgetary deficit of \$5 billion or more in the next fiscal year. This will come about because tax revenues are declining and expenditures are rising. This big red figure in the budget flashes a danger signal that we must make haste slowly in adopting programs that will add significantly to the budgetary deficit if we are to avoid the danger of unleashing a new inflationary spiral.

However, if as a result of public pressures, a choice must be made between tax reduction and public spending, tax reduction promises the more effective stimulus to the economy. Tax cuts will have an impact much more promptly than government spending. Moreover, public works enlarge the area of government intervention. Past experience has clearly demonstrated that, when the federal government moves into new areas of activity, it becomes almost impossible to reverse the trend. As Arthur F. Burns has stated:

"A public works program serves to enlarge governmental enterprise and governmental spending, while a tax reduction serves to enlarge private enterprise and private spending."

A tax reform also increases incentives to invest while an enlarged public spending program tends to have the reverse effect.

What type of tax reduction and reform would be most effective to overcome the projected pattern of unemployment? The main problem will be how to create the economic environment

(continued on page 105)

Write with anything—Verifax copies it!



A VERIFAX COPIER REPRODUCES PEN, PENCIL AND CRAYON WRITING AS EASILY AS TYPED DATA

BEING ABLE to copy *everything* on *every* document is more than a convenience. Often, it's a down-right necessity! What good is a copy of a contract which lacks the signatures? Or a copy of an accounting report which leaves out the figures?

A Kodak Verifax Copier handles all the so-called toughies in stride—even those purplish spirit duplicator

copies. Gives you 5 dry and complete copies in 1 minute for just 2½¢ each.

Something else that's mighty important in business: Your Verifax copies will last a lifetime—won't fade or darken. And they're a snap to file, write on, put in binders . . . are not tissue-thin or glossy . . . feel like the letters and reports you handle every day.

Bigest surprise of all is the low cost of a Verifax Copier. You can buy one—the Bantam—for just \$99.50—about half the cost of other "low-cost" copiers. Mail coupon. Or check "Yellow Pages" of phone book under "duplicating" or "photocopying" machines for nearest Verifax Dealer.

Price quoted is manufacturer's suggested price and subject to change without notice

New!
Verifax Bantam
Copier
\$99.50



Light, capable, a pleasure to use.
Buy them for every department—speed communications inside your company and out!

Verifax Copying

DOES MORE... COSTS LESS... MISSES NOTHING

..... MAIL COUPON TODAY

EASTMAN KODAK COMPANY
Business Photo Methods Division, 343 State Street, Rochester 4, N. Y.

Gentlemen: Please send free copy of your new booklet,
"Versatile Time-Saver for Busy Offices."

56-5

Name _____ Position _____

Company _____

Street _____

City _____ State _____



Kodak
TRADE MARK

NEW RED TARGET

BEAT U.S. WORKER PRODUCTIVITY

Kremlin fears our productive capacity, is determined to overtake us. You can expect many actions important to you

IN A CRASH EFFORT to pull ahead of U. S. industrial output, Soviet planners have set their sights on surpassing American per capita production.

They are determined to beat America at worker productivity.

To Kremlin managers, this race is a sprint for survival. Winning is imperative.

To win, Russia needs to increase her industrial know-how. The fact that the United States has more know-how than any other country means that Russia must necessarily learn from us.

This fact explains many changes, recently made, or soon to come, in Russian attitudes.

In her effort to learn more about American business and industrial skills, Russia will:

► Step up activity to acquire—with or without your cooperation—knowledge of company secrets, with special emphasis on management and industrial technology.

► Press for more cultural and technical exchanges, particularly of per-

sons knowledgeable in business and production techniques.

► Try for greatly stepped-up trade with the United States, especially the purchase of American machinery that will help boost Russian worker productivity both in the factory and on the farm. They'll intensify efforts to bring relaxation of U. S. restrictions on trade.

To help promote these ends, they will become generally more friendly, with less frequent outbursts (outside Russia) of criticism of free world actions. In the U. S., their new ambassador, Mikhail A. Menshikov, is spearheading the new drive for friendly relations.

Throughout the world, meanwhile, the Russians are expected to launch more vigorous competition for free world markets, particularly with smaller and underdeveloped countries where promises and special prices can lure nations further into the communist orbit.

Russia regards America as her greatest foe. Militarily, she is surrounded. Economically, she is inferior. Her only hope for the system's survival lies in the improvement of her industrial capacity.

Thus, it is without humility that the Russian leaders have decided to beg, borrow, or steal—to get by any means and at any cost—the wealth of technical knowledge which America has. Only in this way can they strengthen Russia's position vis-a-vis the United States—to avoid being crushed by the foreign force the Kremlin fears, and to avoid collapse from within.

Basic questions for American businessmen are these:

- What are the chances that Russian output might overtake us?
- What are the consequences for business and for America if she does?
- What important implications are there in the race itself?

Can Russia overtake us?

Russia's gross annual product now is the equivalent of about \$170 billion, compared to \$435 billion for the U. S.

In the year just past, physical volume of industrial output in this country equaled the year before, although gross national product rose. In the year ahead the prospect is for lower production. So far in 1958, physical volume is averaging more than 10 per cent below last year's level.

In Russia, meanwhile, industrial output in the past year rose 10 per cent (11 per cent for capital goods production, eight per cent for consumer goods), and the prospect is for a continuation of this trend in the year ahead.

Although consumption here does not reflect the full drop in production, the U. S. economy is drooping while the communist economy—wrestling with many of the same adverse economic forces which afflict capitalism—is catching up. Continuation of large yearly increases could bring Soviet production to a level equal to the U. S. in the foreseeable future, though estimates vary as to how soon.

Here is one scholar's view:

"When I really feel gloomy I think that five years from now the Soviets will be obviously superior to us in every area. But when I am optimistic, I feel that it will take 10 years for them to achieve this position."

Most experts consider this view extreme, except in the context that Russia can and will overtake us in any specific area on which she concentrates sufficient effort.

Whether she can catch us in all areas depends on how well Soviet leaders are able to do four things:

1. Add to the work force.
2. Increase mechanization and improve worker skills.
3. Improve management methods by reducing wasted effort, altering goals and incentives.

Managers in Soviet industry undergo regular training to increase efficiency—see page 50

4. Augment total effort through more enlightened use of foreign trade potentials.

In the first area—adding to the work force—Russia's outlook is bleak. During the six-year period ending last year, the number of persons of prime working age (males, 15 to 59; females 15 to 54) in the Soviet Union increased 13.8 million. This was three times the United States increase.

But, in the period up to 1965, Russia will add only 7.9 million in these important age groups while we will add 12.3 million. Our margin is not as large as it looks because, according to the Labor Department, in spite of our over-all gain in population, our most efficient productive group—workers 25 to 44—will actually decrease by 600,000.

In Russia more than two thirds of the adult population is regularly employed and the workweek averages 56 hours, compared to less than 40 hours in the United States.

Also, in developing an industrial economy, Russia has relied heavily upon the movement of workers from farms to factories. Thirty years ago 84 per cent of the Soviet labor force was employed in farm work. Now the figure is 48 per cent.

Comparable figures for the U. S. show 21 per cent of the work force in farm work then, the figure having dropped to about 11 per cent now.

On the industrial side, between 1928 and 1940, Russia boosted employment from 5.6 million man-years to 16.7 million. Since then the total has passed 22.7 million man-years.

Now a new problem arises: Factory workers must be fed, so Russia can rely no more on robbing farms for new workers—unless, of course, she can greatly increase farm worker productivity, thereby releasing extra workers. There is much room for this probability. According to newest information, the average Russian farm worker produces food for himself and two others. In America a farm worker produces food for 20.

One significant reason for Russia's low farm worker productivity is the fact that only about 40 per cent of the workers are able-bodied men. Many of the others are women.

Russia thus finds herself with a diminishing number of workers already working about as many hours as is possible to sustain.

This increases the need to speed up mechanization and to develop the skills mechanization requires. More fertilizer, machines and better land planning would help to alleviate the farm problem, for example.

So, too, would automation, but this will come slowly in Russia—at first—in many types of work. The average Russian worker has four years of schooling, while the average

Vari-Typer the machine with **1,000 faces**

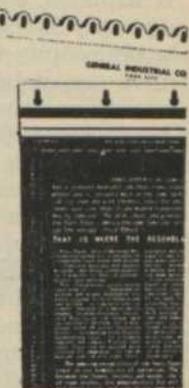


TYPE ...for ANY
method of
PRINTING or DUPLICATING

* Looks like a typewriter...
Writes like printing.

Whatever make of duplicator, or process you use, Vari-Typer will give you attractive type-matter... 'directo-master' or for 'paste-up'. Instantly changeable type styles for any job... forms, reports, literature, etc.

The simplest office duplicator can now produce a professional-looking job because your office typist uses Vari-Typer, with many styles and sizes of type, to meet the exact requirements of your individual printing needs.



NOW: on average

**4 U.S.
WORKERS
PRODUCE
AS MUCH AS** **10 RUSSIAN
WORKERS**

Annual rate of productivity increase

2%
U.S.A.

6.5%
U.S.S.R.

This copy was Vari-Typed. Heads by Headliner

VARI-TYPER CORPORATION
SUBSIDIARY OF
ADDRESSOGRAPH-MULTIGRAPH CORPORATION

•••••••••••••••••••••••••••
VARI-TYPER CORPORATION Dept. 551
720 Frelinghuysen Ave., Newark 12, N.J.
Please send me VARI-TYPER Book

NAME.....

COMPANY.....

ADDRESS.....

CITY..... ZONE..... STATE.....

Gains in Russian worker's productivity are greater than the gains in America

American has 12 years. Experts agree, however, that this will not deter Russia for long. Although the quality of Russian training ranges from very good to mediocre, heavy emphasis is placed where the Kremlin planners believe it will do the most good.

In terms of industrial horsepower, Russia already has made great strides—from 4 million 30 years ago to 77.3 million now. Since the capacity to boost total output is hinged directly to the capacity to produce machine tools, the outlook now is for Russia to hike production capacity with much higher annual gains, even though percentage gains may appear smaller in the years ahead as gains will be made from a larger economic base.

The communists can also forget, when it suits their purpose, that they have preached that obsolescence of machinery is merely a concept of wasteful capitalism. Where worn or inefficient machinery can be replaced by better equipment—purchased or copied from U. S. prototypes—this will be done to a greater extent than ever.

To this aim is hinged Russian leaders' desires to buy more machinery from the U. S. It is also one reason why Russian agents buy from the Patent Office new patents as they become available.

It explains, too, a new school of worker psychology in Moscow. The new philosophy will accept that incentive serves better than force to raise worker output. Stalin's method of beating more production from the peasants is being discarded—for the time being, at least.

To acquire the management skills needed to guide the new Soviet worker in operating the modern machines, the Russians are putting great emphasis on cultural exchanges or whatever other measures will improve their technical and management know-how.

On the world front, they will supplement trade and promises of trade, with a more aggressive campaign of aid and promises of aid to underdeveloped countries, to be accompanied by propaganda to convince the people that the communist economic system is more productive than the U. S. economy.

They'll concentrate greater effort on aggressive—but notably less open—campaigns to disrupt and frus-

trate U. S. and United Nations efforts to appease world tension, as in the Near East and Far East.

The world impact

At the moment, worker productivity under communist supervision averages, by best measurements available, about 40 per cent of worker productivity in this country.

Although on the average it takes 10 Russian workers to put out as much production as four U. S. workers, the productivity of workers in Russia varies widely. In electronics, for example, two Soviet workers can equal the output of one American but it takes 10 Russians in logging and quarrying to accomplish what one American can do. The difference is machinery and skills with machinery.

But in yearly increases, the Russian achievement stands out remarkably.

In the years ahead, the communists have a far greater opportunity for boosting output than the U. S. has.

While the U. S. now is able to lift productivity a scant two per cent per year, the Russians are hiking man output by no less than 6.5 per cent per year. During the past decade, the Russian increase has exceeded 10 per cent per year in five years, with a high of 15 per cent achieved in 1948. Discounting the fact that these figures are unquestionably exaggerated, the increases nevertheless are impressive, particularly to many of the uncommitted countries.

The more immediate threat, however, is less in being overtaken than in the consequences which could result from the race itself.

Simply closing the gap poses the direst prospects.

The greatest threat of the coming decade, specialists believe, is the danger that the gains of communist output can be so impressive as to win greater support from the underdeveloped nations, thus relegating the U. S. to a second class world power.

Vice President Richard M. Nixon says:

"The Kremlin has offered us a direct challenge. It proclaims to the world that a slave economy can out-produce a free economy. It promises the developing areas that the communist system can do more for

them in shorter time than private enterprise."

An American traveling in Russia recently says:

"The grim fact is that the Red's despotic control of production may be the most dangerous weapon in their arsenal, the most potent force ever to challenge free-world enterprise, and our way of life."

What the masses of the vast underdeveloped regions see, what impresses them, and what they understand, is the fact that the communist economy is able to boost output five, eight, 10 per cent or more a year while the U. S. is growing by a scant two, three, or five per cent, and does not always accomplish that.

That Russia's gains are reached from a smaller economic base is of little importance, as viewed from countries struggling for growth.

The implications

Incredible as it seems to Americans, the communists—at least the party faithful who make the decisions—believe that an economic heaven on earth awaits at the end of the road which Russia is traveling today.

The nature of this belief was stated succinctly by Alexander Oustinov, an official of the Soviet Embassy in Washington, in an interview with **NATION'S BUSINESS**.

Mr. Oustinov, a soft-spoken but intensely alert man, explains that his country's goal is a society in which all men are equal in terms of economic wealth and legal and social position.

It will be, Mr. Oustinov says, a society of new soviet men in which there are no lazy people, no marginal workers, no factional disputes or class resentments.

To get from here to there, Mr. Oustinov admits, the Soviet Union will have to pass through many intermediate stages, all of them designed to hasten the advent of the communist economic utopia.

The communists are materialists. They believe that the life of the individual ends at the grave, that the only survival is man's legacy to the generations which follow. As explained by Mr. Oustinov, the communists believe that no man can give his all to the creation of temporal perfection if he believes that man's true destiny is not of this earth. A concomitant feature of this belief, of course, is atheism.

In pursuit of their idealistic economic heaven, the communists have encountered a crossroads. Stalinist brute-force, slave labor methods have become largely obsolete. It is clear that a combination of incentives,

Short cuts with Recordak Microfilming

Latest reports on how this low-cost photographic process is simplifying routines for more than 100 different types of business . . . thousands of concerns



ENDS RETYPING COURT MINUTES

FORT WORTH, TEXAS

Taking pictures with a Recordak Microfilmer has eliminated the retyping of minutes for U. S. District Courts in the Northern District of Texas. This saves the time of three full-time deputy clerks, frees them for other court work. And it provides an error-free, more compact record—the equivalent of three 500-page volumes can now be kept on a single roll of Recordak Microfilm and vault-stored for greater protection.



SAVES THE MUSIC

OMAHA, NEB.

Popular bandleader Mal Dunn considers his arrangements every bit as valuable as a retailer's accounts receivable records—without them he'd be out of business.

A low-cost Recordak Junior Microfilmer lets him photograph the 10,000 single-page arrangements in his library for a fraction of a cent apiece. Not only does this increase protection, it also saves hours of reference—lets him check any arrangement quickly in the Junior's film-reader. Facsimile copies can also be made quickly from these films when needed.



LETS YOU FIND PICTURES IN SECONDS

NEW YORK, N. Y.

Hailed as the greatest advance in microfilming history, Kodamatic Indexing—an exclusive feature of new Recordak Reliant Microfilmer—saves time every time you view your films.

You simply dial code numbers before feeding batches of items into Reliant and "guide" lines are recorded right on the film. When you view your films (illus.) these lines lead you right to the pictures you want. New system lets you photograph batches of work at random—instead of in sequence—and still find pictures faster than ever before.

See how Recordak Microfilming can help you

- In Accounting Branch-Home Office Communications
- Billing Drafting and Engineering
- Market Research and Sales Analysis Personnel
- Record-protection and Space Savings

Free booklet, "Short cuts that Save Millions," gives typical examples of how Recordak Microfilming cuts costs for more than 100 types of business. For more specific help, call in a Recordak Systems Man. No obligation whatsoever.

 **RECORDAK** "Recordak" is a trademark

(Subsidiary of Eastman Kodak Company)
originator of modern microfilming
—now in its 31st year



MAIL COUPON TODAY . . .

RECORDAK CORPORATION

415 Madison Avenue, New York 17, N. Y.

- Send free copy of "Short cuts that Save Millions."
- Have a Recordak Systems Man contact me. D-5

Name _____ Position _____

Company _____

Type of business _____

Street _____

City _____ State _____

NEW RED TARGET

continued

plus adoptions of new methods and new machines, holds the key to further economic progress.

It is convenient, therefore, for the Russians to cast aside or alter temporarily some of communism's guiding dogmas, such as their view on the inevitability of armed conflict. You can expect greater emphasis on the philosophy that coexistence is possible.

Though it's not expected to happen inside Russia, you can look for their delegates in such world forums

as the United Nations to play down the likelihood of war and play up the continued intensification of economic competition.

It's not unlikely that businessmen in many cities in America may soon have an opportunity to hear Ambassador Menshikov speak. If so, you can expect him to sound like a most friendly fellow.

In speaking of the production race, you can expect him to say, as he did recently:

"When we say that we want to catch up with the U.S.A. in this or that branch of peaceful production, be it in the sphere of industry or agriculture, in essence we are pay-

ing tribute to the American people, the ability of its workers, the industriousness of its farmers, the talents of its scientists."

But it is important to remember that behind such friendly gestures lie the desire and the cunning, according to the best information available in Washington, to grab all of the American business know-how which can be of any possible use on the other side of the Iron Curtain.

Although temporary flashes of international sweetness will interrupt the cold war from time to time, the communist goal will continue to be the ultimate submission of capitalism.

END

HOW RUSSIA TRAINS HER MANAGERS

BECAUSE OF THE intensifying economic competition between the Soviet Union and the United States, NATION'S BUSINESS set out to learn more about the training of Soviet industrial managers.

Questions were submitted to Sergei Antonov, vice president of the Economic Council of the City of Moscow and a leading expert on management training in Russia, who prepared a statement, exclusively for NATION'S BUSINESS. He sidestepped some of the questions and dealt, for the most part, in generalities. Some elements of his paper, however, were quite explicit. For example, he wrote:

"The principal economic task the Soviet Union is working on today is to overtake and outstrip the more developed capitalist countries in per capita industrial output.

"Proceeding from this proposition, the USSR industrial executives are constantly working to increase labor productivity and output, on the basis of higher techniques."

Here are excerpts from his comments on other subjects:

► *Training directing personnel for Soviet industry:* "Many present (Soviet) industrial executives acquired their higher education after working hours, attending evening engineering colleges or taking correspondence courses.

"A source of leading personnel for industry is the millions of specialists employed in it, now numbering more than 6 million and possessing a higher or secondary education in their field.

"There are 767 colleges for training specialists in the Soviet Union with an aggregate roll of more than 2 million."

► *Advanced training for leading personnel:* "Leading personnel of industrial enterprises regularly take advanced training courses, roughly once in five years. There are special institutes for the purpose . . . the courses include the latest technology and experience of front-ranking people in the particular industry, acquaintance with the progress of engineering in other countries, improvement of their knowledge of economics and the organization of production and planning."

► *Incentive system for leading personnel:* "A system of rewards for good work is widely applied for leading personnel as well as engineers and technicians of plants which fulfill and overfulfill production plans.

"Heads of enterprises, engineers, technicians and salaried workers receive bonuses based on the results of the month's work. There is a fixed bonus for fulfillment of the state plan, and each per cent of overfulfillment means a proportionately higher bonus . . .

"Good work brings them not alone cash bonuses but also honor titles, orders or medals."

► *How industrial enterprises plan their work:* "Each plant first makes up its own plan, with production and other workers, engineers and technicians, and trade-union officers all taking an active part in it. They submit recommendations, taking into account the plant's reserves and production possibilities.

"The plans of the individual enterprises serve as a basis for compiling the plans of the Economic Councils and the Union Republics, and these plans serve as the basis for the national economic plan drawn up by the State Planning Committee of the

USSR Council of Ministers. After the plan has been approved by the USSR Supreme Soviet, the country's highest organ of state power, it becomes law, binding on all industrial enterprises."

► *Cutting production costs:* "Lower production costs are obtained through the following measures:

"1. Production is reconstructed on the basis of higher techniques, automation and mechanization and improvement of technological processes.

"2. Economical and efficient use of raw and auxiliary materials.

"3. Cutting the cost of management staff.

"The reorganization of management in industry and construction has played an important part in cutting production costs. Management of all industries in an economic area has made it possible to specialize factories, making their operation most efficient, to eliminate long-haul and criss-cross shipments of raw and auxiliary materials and equipment, operatively to settle economic problems arising in the process of production, thereby contributing to regular reduction of production costs."

► *The development of automation in the Soviet Union:* "Though we have registered progress in this matter, we have also shortcomings and difficulties in it. Many production processes are not yet automated, or inadequately automated, and sometimes automation is introduced at a rather slow rate. And there are factories where production is still insufficiently mechanized.

"The chief difficulties we face in introducing automation are of a scientific and technical or organizational nature."

END

revolutionary New ONE STEP process

Copies anything LIGHTNING FAST!



New desk top
APECO *Auto-Stat*®
UNI-MATIC

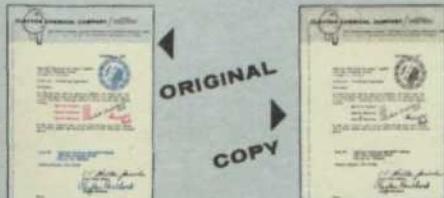
High Speed "Synchro-Copying"

ONE INSTANT
AUTOMATIC
STEP ...



The Apeco Uni-Matic Auto-Stat is the world's fastest, easiest to operate, all-purpose copy-maker. The original to be copied is inserted into machine . . . the copy feeds right out . . . original is instantly returned.

Look Alike Copying



The Apeco Uni-Matic Auto-Stat produces white copies that look exactly like the original. Whites are copied white, blacks are copied black—and middle tones in grays of equal intensity.

Send for new FREE BOOK

Tear off and mail this Air Mail
Postage Paid reply card.

JUST PLUG IT IN
ANYWHERE

Copy in FIVE Colors

... anything written, printed, typed,
drawn or photographed, right in your own office.

The brand new Apeco Uni-Matic Auto-Stat is the greatest advancement in office copying in the last ten years. It is the culmination of many years of research and engineering by America's leading manufacturer of office copying equipment.

This revolutionary new machine makes copies in less than half the time of any other photocopy maker. It is so simple to operate—anyone is an expert the first time he uses it. The Apeco Uni-Matic Auto-Stat copies from any original—any color—on opaque or transparent paper . . . printed on one or both sides. It is handsome, compact, and light weight. Offers hundreds of time and money saving uses for every business at a price within the budget of the smallest firm.

ALSO AVAILABLE ON LOW COST LEASING PLAN



American Photocopy Equipment Co. NB-58
2100 W. Dempster St., Evanston, Ill.

Rush me, without obligation, your new free book on the revolutionary new Apeco Uni-Matic Auto-Stat. I understand this book explains office photocopying applications in detail and shows how my business can greatly benefit by the use of this modern copy-maker.

Company _____ Type of Bus. _____

Address _____

City _____ Zone _____ State _____

Individual _____ Title _____

In Canada: Apeco of Canada, Ltd., 134 Park Lawn Rd., Toronto, Ont.

In Mexico: Apeco de Mexico S. A., Ignacio Esteva #7

Esq. Jose Moran, Mexico 18 D. F., Mexico

The first
really automatic
copymaker!

ALL-PURPOSE
ONE STEP



With the amazing, entirely new

UNI-MATIC SWEEP-LINE
CONTROL

INSTANTLY COPIES ANYTHING AUTOMATICALLY

APECO *Auto-Stat*
UNI-MATIC

No matter what copy machine or method you now use you will be interested in knowing how the exciting new Apeco Uni-Matic Auto-Stat can save you time and money by cutting costly office paper work.

A LIBERAL TRADE-IN OFFER ON ANY COPYING EQUIPMENT IS AVAILABLE FOR A LIMITED TIME.



Instantly copies letters, invoices, receipts, charts, blueprints, photographs, quotations, drawings, catalog pages—anything.

AMERICAN PHOTOCOPY EQUIPMENT CO.
2100 W. Dempster Street, Evanston, Illinois

BUSINESS REPLY CARD

6¢ postage will be paid by—

AMERICAN PHOTOCOPY EQUIPMENT CO.

2100 W. Dempster Street

Evanston, Ill.

First Class Permit
No. 226
Evanston, Ill.

HAVE YOU
READ THIS
NEW BOOK . . .



explaining in detail the new Apeco Uni-Matic Auto-Stat and how you can use this revolutionary copy-maker in your business?

TEAR OUT AND MAIL THIS AIR MAIL
POSTAGE PAID REPLY CARD TODAY!

PRINTED IN U.S.A.

As a boy he worked in his father's general store in Altheimer, Arkansas

who constitute the Federal Advisory Council.

Despite this impressive spread of activities (he is able to do it all, associates say, because he is a man who "never loses his calm good humor" and who has "learned to delegate"), Mr. McDonnell participates in six or more leading luncheon, golf and shooting clubs of St. Louis. He golfs regularly (in the high 70's or low 80's) at St. Louis Country Club, and on three occasions has scored a hole-in-one. He also golfs at the Log Cabin Club (membership is limited to 35), and his duck-shooting is done at Dardenne Shooting Club, a 40-minute drive from his home in Brentmoor Park. His hunting partner, B. B. Culver, Jr., describes him as "a crack shot who almost always bags his limit without wasting shells."

Frequently, a McDonnell Saturday will consist of an early morning session in the duck blinds; lunch at the Log Cabin Club, and an afternoon round of golf at St. Louis Country Club. This strenuous physical program apparently agrees with him, because, though his once curly brown hair has thinned and turned gray, he looks eight to 10 years younger than he is. "In nearly 37 years of married life," Mrs. McDonnell said recently, "he has had but one illness which could be called even moderately serious."

At home, he and Mrs. McDonnell, the former Carolyn Vandergrift Cherry, of Little Rock, share a number of hobbies. These include piano-playing ("no 'Missouri Waltz', though!" he says); gardening (though he is more likely to swing a golf club than wield a weeding implement on the lawn), interest in birds and, in summer, swimming.

The future banker and Chamber president was born Nov. 20, 1894, in Altheimer, Ark., a cotton delta town some 16 miles from Pine Bluff. He is of Scottish descent, and his branch of the "McDonnells of Glengarry" came to this country before the Revolutionary War, eventually settling in Alabama. His father, James Smith McDonnell, a University of Alabama graduate, came to Arkansas in 1881 with \$3,000 borrowed capital and established an old-fashioned general store that "carried everything from swaddling clothes to coffins." He carried cotton

farmers on credit, advancing them everything they needed from seed and equipment to groceries and clothing, and collecting in the fall when the crops were harvested. Though the business had its ups and downs during the various depressions it weathered, the elder McDonnell became moderately well-to-do, eventually operating a cotton gin in addition to a store, and acquiring some 2,000 acres of cotton land.

Young Bill worked several summers in the store—"I earned a dollar commission on every \$100 worth of sales,"—and he still reminisces with glowing nostalgia about "the wonderful smells of cheese, sugar, molasses, tobacco, calico, harness, and all the other things" that were piled up in the old one-story wooden building with the two-story false front. The McDonnell Company, as it was called, still is in existence near the same site, though it is housed now in a less romantic brick building and deals mostly in land management and loans. The St. Louis banker is president of the family business, and makes several trips a year to Altheimer, which are combinations of sentimental and business pilgrimages, to check on its operations.

Mr. McDonnell's mother—both parents are dead now—was Susie Belle Hunter, also of Arkansas and also of Scottish descent. She was a proficient painter and pianist—"Mother inflicted piano lessons on me," he relates—but these artistic talents were overshadowed by her deep devotion to the Southern Methodist church.

"She was a real Fundamentalist." Mr. McDonnell recalls, "and she leaned so far in that direction that most of us in the family leaned the other way. I remember as a youth being dragged to tent revivals where the evangelist, preaching fire and brimstone, would scare you so that, first thing you knew, you were down front, kneeling and confessing your sins. When my brother, Jim, was only six or seven, Mother took him to an evangelist and proudly announced: 'My son, James, is dedicated to the ministry.' That was the first Jim had heard of it! Try as she would, however, Mother never could get Father—though basically he was a deeply religious man—to join the church."

When William was four, he, his

older brother, Hunter, a talented architect who died in 1944, and his sister, Susan, now Mrs. Scott D. Hamilton, widow of the former executive secretary of the Little Rock Chamber of Commerce, accompanied their mother to Denver, where they remained some 10 years because of her health. His younger brother, James, was born in Colorado. Mr. McDonnell remained in Altheimer to run the business but commuted to Denver for frequent visits, and the family occasionally visited him in Altheimer. When Mrs. McDonnell's health improved, the family returned to Arkansas, but lived in Little Rock, some 50 miles from the tiny delta town where Mr. McDonnell's business was located.

Mrs. McDonnell not only was religious but was a stern disciplinarian "who did not believe in sparing the switch." James McDonnell, the aeronautical engineer and manufacturer, recalls that brother Bill "used to earn switchings for both of us by persuading me to go off to the old swimming hole without Mother's permission." In contrast, Father McDonnell, after the family returned to Arkansas, was able to enforce discipline by verbal edicts rather than by threat of the switch.

"Father," says William McDonnell, "had the keenest appreciation of humor and was one of the best natural storytellers I've ever known. If I have any sense of humor at all, it is inherited from him."

One thing the elder Mr. McDonnell did not believe in was spoiling his children. "We all worked for our spending money," Banker McDonnell relates. "My principal source of income was carrying a paper route throughout my four years at Little Rock High School. I would get up at 5:30 a.m., saddle up our horse, Billy, deliver my papers, return home for breakfast at 7 a.m., and then set out for school."

"My brother, Jim, took over the paper route—and Billy—when I went to college, and he had an experience that almost deprived the country of a future aeronautical engineer. He was delivering papers in the rain and the horse stepped on an exposed wire. Billy was electrocuted, and only the insulation of the leather saddle saved Jim."

The growing-up years for the McDonnell children were extremely pleasurable, despite their mother's insistence on strict religious training—and piano lessons—and their father's notion that boys should earn their spending money. Mrs. McDonnell took the children on frequent summer trips, and Mr. McDonnell, Sr., would join them for short periods. Her favorite summer

He went into banking from a law firm after studying law because of a bank

place was Ocean Grove, N. J., a Methodist camp meeting ground, run so tightly that automobiles were banned on Sundays. The boys were permitted to work at a bowling alley and a merry-go-round concession, but everything shut up on the Sabbath and everybody went to church.

Their most memorable vacation—also the occasion of the future banker's first visit to the city that was to become his home—was the family excursion to the St. Louis Exposition of 1904. James McDonnell recalls: "Mother being a thrifty Scots-woman, we stayed right on the fair grounds at a place called the 'Inside Inn', which entitled us to visit the exposition without paying admission. We remained a full month and saw the exposition from corner to corner.

"The only thing I personally missed was the prizefight that Bill and Hunter sneaked off to one night without taking me. I was mad at them at the time, but I did not mind missing the licking which Mother gave them."

Young William was undecided on a career when he entered Vanderbilt University in Nashville, Tenn., in 1912. With a vague notion of becoming a chemist, he signed up for a course which would lead to a Bachelor of Science degree.

"As events turned out," he relates, "I got into law because of the banking business, and I got into banking because of law."

What happened was that his father had become a director of the Bank of Pine Bluff, which got into serious financial trouble during the summer of 1914. Mr. McDonnell, Sr., through lack of legal advice, had neglected to attend directors' meetings, and the bank examiners told him that he might be held personally liable to the depositors. He thereupon bought control of the bank and put his full energies and resources into an attempt to save it.

"He told me," Bill McDonnell recalls, "that, since I didn't know what I wanted to do anyhow. I should forego college for a while and help him save the bank."

"We stayed there all summer. My job was to ride around town on a bicycle, attempting to collect loans. Father and I shared a room together, and I'll always remember that, while I was so worried—I hadn't learned the art of keeping

calm then—that I tossed all night, Father, who stood to lose his shirt, slept like an untroubled baby.

"Despite my efforts on the bicycle and Dad's labors at the bank, by the end of summer the institution busted higher than a kite. Although due to his standing behind it, depositors were eventually paid in full. It cost Dad almost everything he had at the time. He told me: 'Go back to college and study law. It might come in useful. If I had known something about law, I wouldn't have got into this fix!'

"Father, incidentally, recovered handily. He used to tell me—this, of course, was in the days when the income tax had just come in and the rates were negligible—that it was the easiest thing in the world to make money in our part of the country if you were willing to work at it."

So W. A. McDonnell graduated from the Vanderbilt Law School in the spring of 1917 with an LL. B. degree. He won the Founders' Medal—highest honor in the graduating class. Young McDonnell passed the Arkansas bar, but, before he had a chance to enter law practice, he enlisted in the Army, became a first lieutenant—eventually a captain—of Field Artillery, and served in France for 14 months, seeing action in the St. Mihiel, Argonne and other operations.

On returning to Little Rock, he became junior partner in a law firm headed by two colorful personalities, former Congressman Charles C. Reid and Lawrence B. Burrow.

"We had a general civil practice—no criminal law," Mr. McDonnell says. "I found myself leaning to office work and the preparation of briefs rather than jury appearances. Although I am not exactly inarticulate I never could stand up like Charlie Reid, for instance, and spout Shakespeare for hours, or like Lawrence Burrow, give a full rendition of Henry W. Grady's oration on 'The New South'."

"Eventually, I became general counsel for the Federal Bank & Trust Company of Little Rock, which our firm represented, and went into banking on a full-time basis. I guess banking was in my blood all the time, though I did not realize it in the beginning."

Mr. McDonnell moved to the larger Bankers Trust Company—

now the Commercial National—in Little Rock, became executive vice president, and, in 1944, went to St. Louis to become vice president of the then Mercantile-Commerce Bank & Trust Company (now the Mercantile Trust). The Mercantile and First National are St. Louis's two largest banks.

In 1947, Mr. McDonnell moved to the First National to become its executive vice president. He was hand-picked for this job by the ailing, since deceased, Walter Smith, dean of banking in St. Louis, with the tacit understanding that he would be Mr. Smith's successor.

"Some of the St. Louis financial community did not think that this practically unknown outsider could possibly step into Walter Smith's shoes," W. K. Bixby, St. Louis investment broker and one of Mr. McDonnell's regular golfing partners, commented. "He quickly proved himself as both a banker and a citizen." He became president in 1948, and, in 1957, stepped up to the board chairmanship, which became the bank's chief executive post.

As an example of how the community has come to regard the transplanted Arkansan, the *St. Louis Globe-Democrat* commented on his election to the Chamber presidency:

"He is about as far removed from the outdated stereotype of the banker—a man with a heart of stone and a stare to match it—as it is possible to be. . . . He is, in fact, what the able banker always is to his community—a man whose knowledge of industry and finance plays an indispensable role in building up its prosperity and making it a sounder, better city."

Mr. McDonnell likes to point out that, in coming to St. Louis, he was following the footsteps of his younger brother, J. S., who had made a success with McDonnell Aircraft, makers of helicopters, experimental "convertiplanes" and advanced jet aircraft, including the Air Force's supersonic fighter, the F-101 Voodoo. McDonnell Aircraft started with two employees in one small room in 1939, and now occupies more than four million square feet of floor space, with 27,000 employees and an annual payroll of approximately \$130 million. For his part, James McDonnell likes to point out that his banker-brother was "exceedingly and typically generous" in the settlement of their father's estate. The elder McDonnell during his lifetime had made sizable marriage gifts to his three older children, but Jim, in his own words, "was so busy becoming an aeronautical engineer that I was slow in getting married."

"Bill saw to it," he says, "that,



Burned out Saturday! Business as usual Monday! ...thanks, mostly, to our Hartford Group Agent

(Based on Company File #H54-25820)

Last-minute weekend shoppers made a fast exit when fire broke out in our store Saturday night.

We turned in an alarm at once. But by the time the fire was under control, the place was pretty much of a mess. We figured we were out of business for weeks.

My partner called our Hartford Group Agent. He and a loss adjuster were at our place that same night.

They authorized immediate repairs. Most important, naturally, were the structural work and the electric wiring. They helped us line up contractors who could start work that night. Both agent and adjuster spent practically all day Sunday on the premises. Under their watchful eyes, the work went forward without a hitch.

We managed to re-open Monday morning. We weren't in top shape. But we were doing "business as usual" just 36 hours after the fire . . . thanks to the splendid help of our Hartford Group Agent!

* * * * *

As you can see, there was no lost time here. No lost motion.

There are situations, of course, that take longer than 36 hours to straighten out. But prompt claim service is always a Hartford objective. And one that has the solid support of 33,000 competent Hartford Group Agents across the country!

For the dependable protection you need — combined always with the Hartford type of friendly, time-saving service—call your Hartford Group Agent or your insurance broker today.

Year in and year out you'll do well with the

HARTFORD
Fire Insurance Company
GROUP

Hartford Fire Insurance Company
Hartford Accident and Indemnity Company
Hartford Live Stock Insurance Company
Citizens Insurance Company of New Jersey, Hartford 15, Connecticut
New York Underwriters Insurance Company, New York 38, New York
Northwestern Fire and Marine Insurance Company
Twin City Fire Insurance Company, Minneapolis 2, Minnesota



NEW CHAMBER HEAD

continued

Letter-perfect



...easier than ever
with an **OLYMPIA**
precision-built
typewriter!

Here's the world's finest typewriter to do business with...equipped with every worth-while feature for easier, faster, finer typing! Office-test it before you decide on any other. Call your nearest Olympia dealer for a trial demonstration.

Olympia

WRITES BEST OF ALL...
BECAUSE IT'S BUILT BEST OF ALL

Nationwide sales and service—
through authorized Olympia dealers.

OLYMPIA DIVISION

Inter-Continental Trading Corporation
90 West Street • New York 6, New York

with the approval of the entire family, I received a similar endowment, in addition to my share of the estate."

The First National, which has grown through a series of mergers to its present position among the 40 largest banks in the nation, has expanded both physically and financially under Chairman McDonnell's administration. It occupies nearly an entire downtown city block and recently completed a five-year, \$7.5 million remodeling program that has given it one of the handsomest, most modern structures in the Midwest. It carries on a correspondent banking business with approximately 1,000 banking institutions in 32 states and 11 foreign countries.

The office from which Mr. McDonnell directs the affairs of the bank and keeps in touch with his many civic enterprises is a medium-sized, walnut-paneled, singularly uncluttered sanctum. His desk is kept uncluttered. The only decorations are a bronze plaque, citing him for distinguished service as chairman of the first United Fund Campaign (1955); a plastic model of his brother Jim's famous *Voodoo*, and two water colors of St. Louis scenes, which were winners in another of the bank's community services—an annual art contest in which the first-place winner is used as the First National's Christmas card.

Chairman McDonnell is a 9 a.m. to 4:30 p.m. man at the bank. When he has a speech or an important letter or memorandum to prepare, he often writes the first draft personally in pencil on a legal-sized yellow tablet. He dictates to his long-time secretary rather than to a machine, is easily accessible on the telephone, and usually takes home a brief case full of papers to study. If any or all of his four attractive grandchildren happen to be visiting, however, the brief case sometimes gets put aside.

Some time ago, when their own two children set up housekeeping, the McDonnells disposed of their large home and part of their extensive acreage in suburban Clayton and built a relatively small Georgian home which Mrs. McDonnell insists "practically runs itself." Their children are Cherry (Mrs. David W.) McDonnell Black, now of Tuxedo Park, N. Y., and Sanford Noyes McDonnell, an aeronautical engi-

nier with McDonnell Aircraft. Sanford and his father are close companions; they hunt and golf together, and the son is particularly appreciative that his father, although he obviously would have been pleased had Sanford chosen to follow him into banking, "was both sympathetic and wonderfully helpful when I decided instead on an engineering career."

Mr. McDonnell, who is the first National Chamber president since Lewis Pierson (1927-28) whose principal occupation is banking, classifies himself as an independent—neither Democrat nor Republican—in politics; he frequently is described as a "middle-of-the-road conservative with both feet on the ground." Yet, he is not so conservative as not to attract the admiration of those who may not fully share his economic views. The progressive mayor of St. Louis, Raymond Tucker, a nonmachine Democrat, recently said of him:

"Bill McDonnell epitomizes the modern successful businessman who has abandoned the ivory tower to participate actively in community affairs.

"His leadership in our local Chamber of Commerce and in Civic Progress, Inc., typifies our businessmen's conviction that their firms can only grow and progress in a city which provides the proper climate for both business and labor."

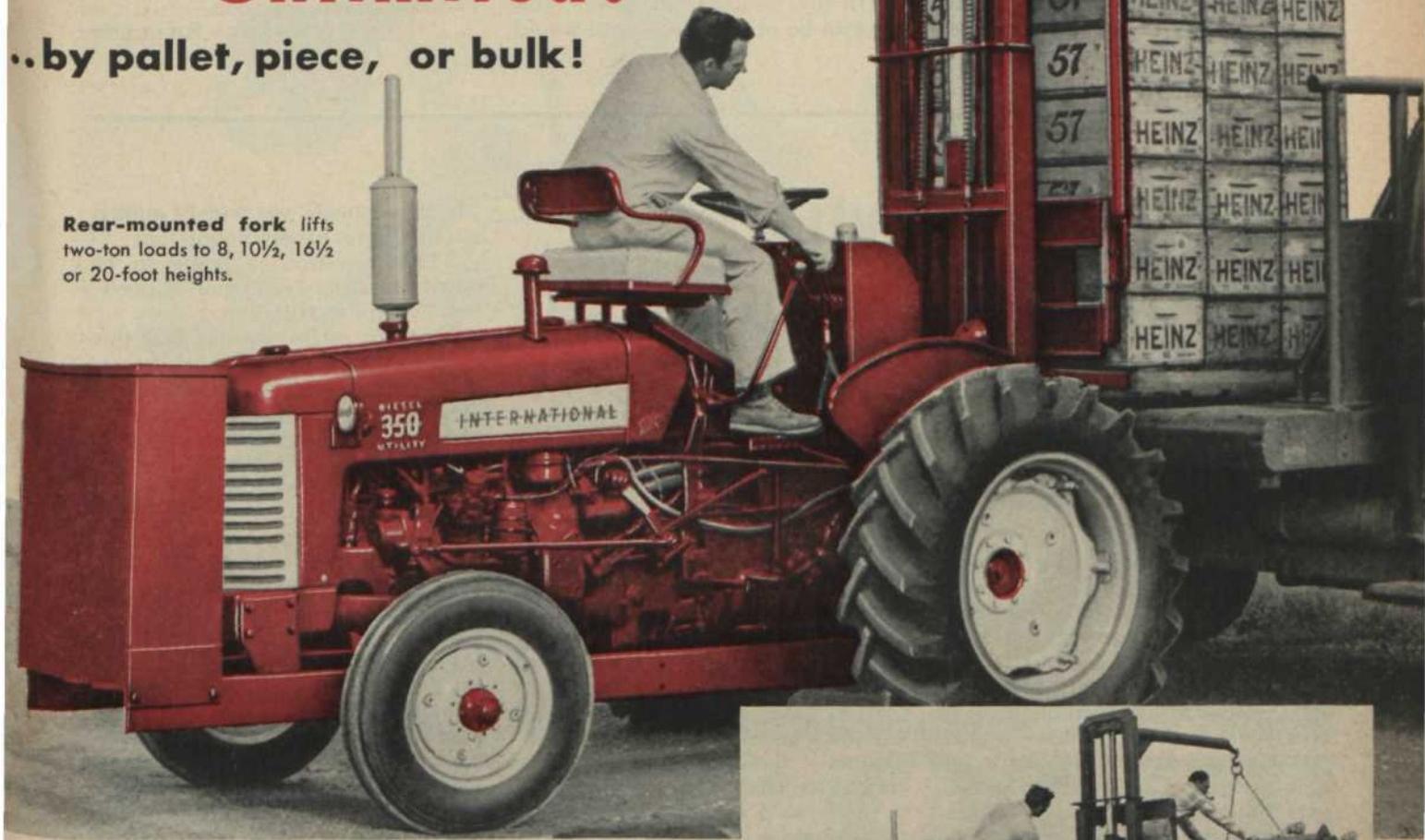
Everyone who knows Bill McDonnell—bank associates, business and Chamber colleagues, and fellow clubmen alike—inevitably comments on his sense of humor and his prowess as a teller of stories—not just funny stories but apt ones. He is much in demand as a toastmaster. St. Louis Federal Reserve Bank President Johns, who had recently completed an international banking assignment in a certain Balkan country, recalls the time Mr. McDonnell introduced him to a bankers' gathering. Said Mr. McDonnell: "We sent millions in lend-lease supplies, in loans and munitions to this country. Finally, we loaned the country D. C. Johns. So far as I have been able to determine, D. C. Johns is the only thing it has ever paid back."

Another Bill McDonnell favorite—particularly when he is addressing a Northern audience (and, curiously enough, most of his native South-

HANDLING UTILITY Unlimited!

..by pallet, piece, or bulk!

Rear-mounted fork lifts two-ton loads to 8, 10½, 16½ or 20-foot heights.



Saddled with a variety of materials handling problems? . . . none of which justify expensive, specialized one-job equipment? Then investigate International® 350 and 330 Utility tractors! Here's the modern, low-cost answer to your handling headaches—a single power source which mechanizes dozens of handling jobs in yard and plant.

Leading the field in built-in strength and capacity, International Utility tractors often can do the work of two or more higher-priced, one-job machines. Use them anywhere—big-diameter pneumatic tires give full traction on unpaved surfaces!

Your IH dealer will gladly demonstrate an International 350 or 330 Utility tractor with equipment to match your job. Phone today! For catalog, write: International Harvester Co., P. O. Box 7333, Dept. NB-558, Chicago 80, Illinois.



Crane attachment doubles your usage of the fork lift . . . provides low-cost handling power for many kinds of heavy, hard-to-handle pieces. Or, use ½-cu yd material bucket.



Front-mounted loader handles ½-cu yd of heavy materials, ¾-cu yd of coal or other lighter materials. Many other units of job-matched equipment fit your needs . . . offer you utility unlimited!



SEE YOUR

**INTERNATIONAL
HARVESTER** DEALER

International Harvester Products pay for themselves in use
—Farm Tractors and Equipment . . . Twine . . . Commercial
Wheel Tractors . . . Motor Trucks . . . Construction Equipment
—General Office, Chicago 1, Illinois.

NEW CHAMBER HEAD

continued

ern accent has disappeared from his speech)—is to relate:

"I was raised in the South. Both my grandfathers fought for the Confederacy. When I was a child at my mother's knee, she taught me to hate three things—a Yankee, a Republican, and Sin, in the order

named. When I finally broke away from her apron strings, and got out in the world on my own, I came to learn that all three, on occasions, can be pretty nice."

It is the nature of the new Chamber president to expect people and institutions to be pretty nice—at least until proven otherwise. He is known as a conservative optimist.

"In my business," he says, "you have to be optimistic or you would

never lend any money, and you have to be conservative about it or you would never get it back."

At his first press conference as Chamber president-elect, Mr. McDonnell gave a conservative optimist's view of the business situation.

He told reporters:

"This recession will be short-lived if we don't get panicky and rush in to do too much, too soon."

—SIDNEY SHALETT

TWO STEPS WILL STRENGTHEN BUSINESS

National Chamber's new leader gives his views on the economy

NEWLY ELECTED Chamber President William A. McDonnell over the past decade has called the turn with remarkable accuracy on what was looming economically. Likewise, while he is basically optimistic for the future, his current analysis of what it is going to take to cure the present recession is realistic.

In January, 1949, Mr. McDonnell anticipated that year's economic setback by telling the St. Louis Chamber that a downward trend was indicated. A year later, he advised the American Bankers Association's National Credit Conference that, although banking prospects were good, "it is difficult . . . to be enthusiastic about a bright economic outlook which is based on prodigal federal spending and an unbalanced budget."

By June, 1950, when, as he pointed out, the country was "riding the crest of a boom," supported by federal defense spending and post-World War II demands for automobiles and housing, he warned a railroad group that a sharp halt would come when these demands were fulfilled. The Korean conflict interrupted the day of reckoning, but it came just as he predicted.

The beginning of 1957 found Banker McDonnell writing in the *St. Louis Post-Dispatch* that the new year would be a good one from a business standpoint. At the same time, he warned of "certain counterbalancing forces which can affect such a forecast." "Higher wages and

salaries," he said, "do not boost demand for goods and services if their prices rise just as fast as consumer income. . . . Herein lies the challenge to American government, management and labor leadership."

Last June, speaking at a U. S. Chamber panel in Washington, McDonnell, then Chamber finance committee chairman, declared:

"The No. 1 economic problem of this decade . . . is how we can live with prosperity without inflation. So far we have been losing this battle against inflation. . . . Our basic problem is to prevent a further reduction in the purchasing power of the dollar without seriously reducing general business activity. Obviously, you can't do that by making credit ample to meet all demands at lower interest rates. . . ."

AFTER HIS FIRST press conference as the Chamber president-elect,

"This recession is going to be cured primarily in the market place, not on Capitol Hill. . . ."

Mr. McDonnell was widely quoted nationally for his prediction that:

"This recession is going to be cured primarily in the market place, not on Capitol Hill."

He went on to explain that this meant industry, with labor's necessary cooperation, must take steps to ameliorate consumer resistance to abnormally swollen price tags.

"The consumer finally has rebelled and is exercising his veto," he said.

Based on the time cycles of recent comparable recessions, Mr. McDonnell predicted the current slump "is probably about half over" and a gradual pick-up would begin in the Fall.

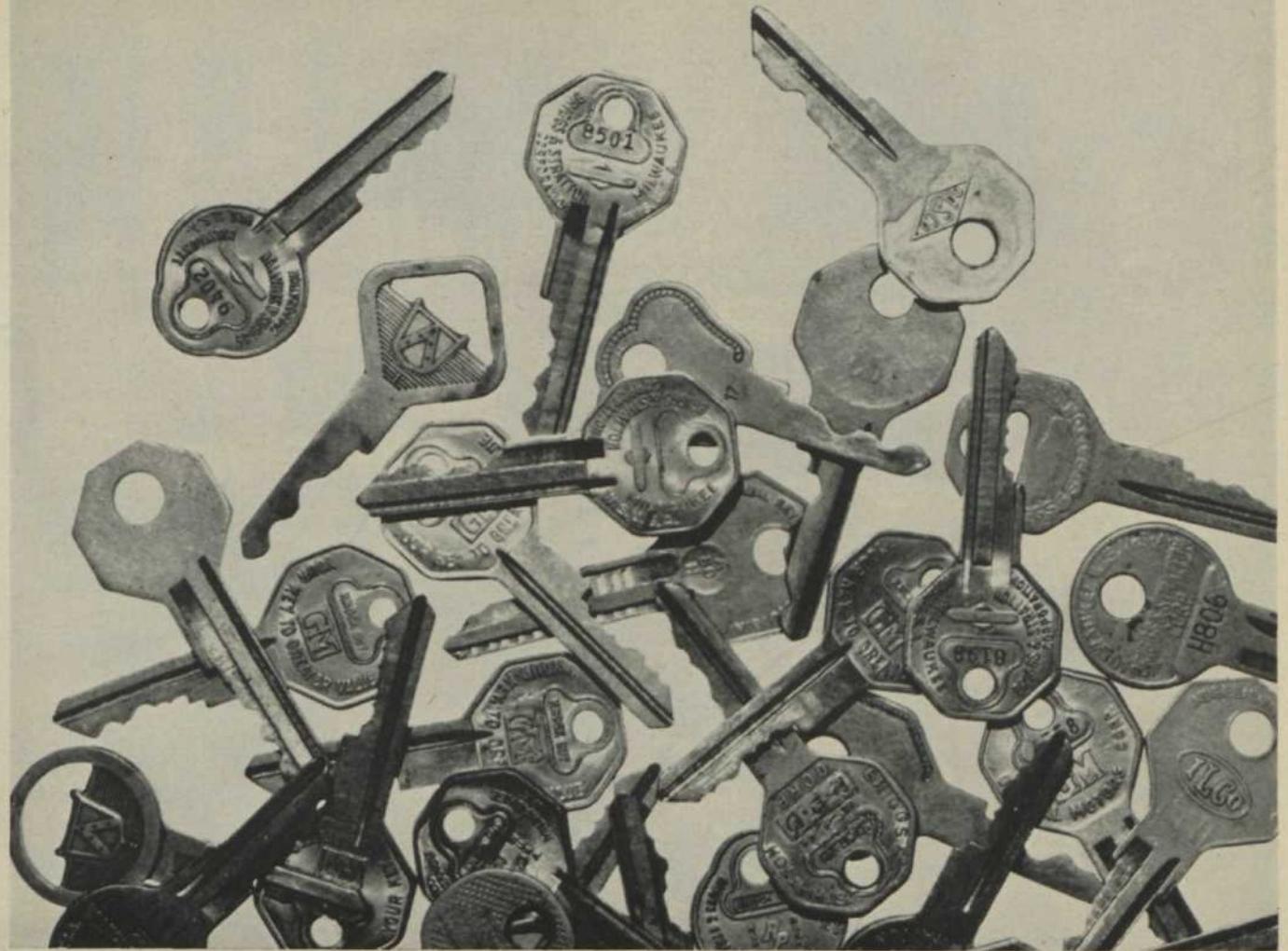
"This recession," he said recently, "will be short-lived if we don't get panicky and rush in to do too much, too soon."

His two main proposals for cutting at the economic cancer are: 1, ". . . Without trying to fix the blame on anyone, labor and management must get together and put an end to this suicidal wage-price spiral"; 2, a sensible program of tax reduction—"or, as I prefer to call it, tax reform."

IN AN INTERVIEW WITH NATION'S BUSINESS, Mr. McDonnell said the tax reform program emphatically should include relief in the higher brackets as well as to the

(continued on page 72)





LOCK OUT

slow poke accounting; get management control of figure facts with **BURROUGHS SENSIMATIC**

In any business, a Burroughs Sensimatic accounting machine speeds accounting procedure, slashes accounting costs, and gives you command at all times of all up-to-the-minute facts and figures relating to your business.

Handles one or many jobs. Exclusive sensing panel gives you a choice of four jobs at the flick of a knob. And the panels are interchangeable, can be adapted to any and *all* accounting jobs. If you change accounting methods, just change sensing panels, *not* the machine. Goodbye

to the problem of obsolescence! Simplicity of operation. Even the newest operator can quickly master the Sensimatic, which makes the complicated decisions and motions for her.

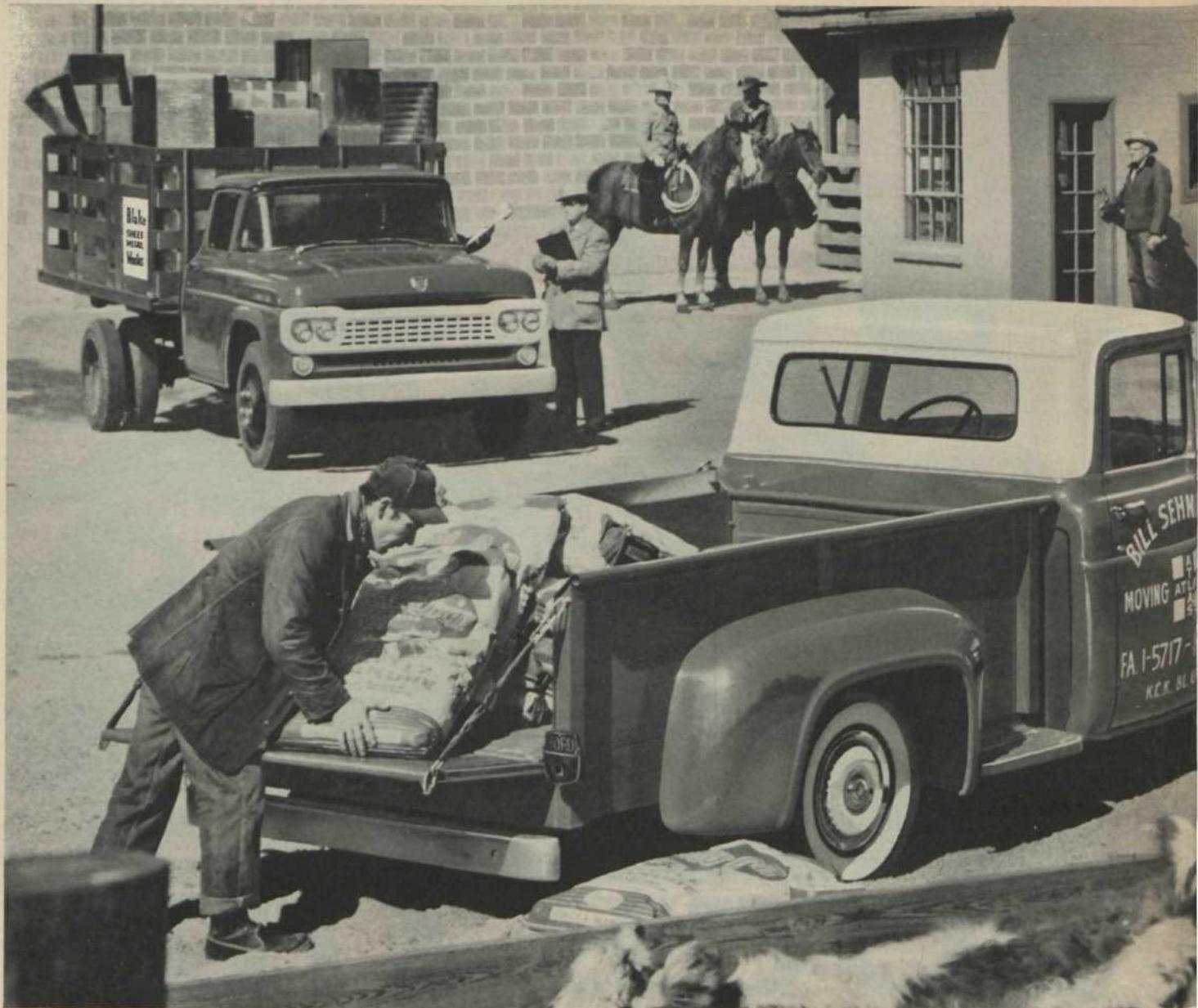
Well-suited to your special needs. Whether your business is small or large, whether your accounting is routine or extra complicated, there's a Sensimatic exactly suited to your needs. Call our nearest branch office today for a free demonstration. Burroughs Division, Burroughs Corporation, Detroit 32, Michigan.



BURROUGHS AND SENSIMATIC ARE TRADEMARKS



BURROUGHS Sensimatic Accounting Machines



KANSAS CITY PUTS A LOT OF

**Truck owners, interviewed in
the bustling Kansas City stockyards,
praise economy and efficiency
of their Ford Trucks.**

Stand for an hour in the Kansas City stockyards and you'll be passed by hundreds of trucks loaded with livestock, filled with supplies, feed, frozen meat. You'll see Ford Trucks of every size and model, carrying the signs of dozens of firms . . . on-the-job evidence that American business buys more Ford Trucks than any other make.



**WM. L. SEHNERT, Owner
Bill Sehnert Co.
Kansas City, Kansas**

Operates a '58 Ford F-100 Flareside ½-ton Pickup in his general transfer business.

"Efficiency and economy in same package."
"My '58 Ford Flareside Pickup has never caused me trouble and it carries a plenty big payload, too. With this economical pickup we've got a dependable and durable truck for hauling any and everything at low cost."

FORD TRUCKS



STOCK IN '58 FORD TRUCKS



V. E. MOORE, Owner
Blake Sheet Metal Works
Kansas City, Mo.

The '58 Ford 1½-ton F-500 carries big heating installations with ease.

"Delivers on low operating costs."

"You need a rugged, economical truck to haul bulky sheet metal. Our '58 F-500 Stake really delivers on low operating costs and day-in-day-out efficiency. For us it has proved to be the best truck at the lowest cost."



RAY MICHAEL, Partner
Rogers Truck Line
Kansas City, Mo.

Uses his Ford Ranchero for pleasure as well as day-to-day hauling.

"Rides like a car!"

"My '58 Ranchero rides like a car and its 300 hp. Interceptor V-8 engine can handle heavy loads with power to spare. First cost was far less than I expected, too. Nothing it can't do, including taking the family on fishing trips."

COST LESS ...Less to own... Less to run... Last longer, too!

MAKE COMMITTEE WORK EFFECTIVE

Group action in business can be a help or a hindrance. Here is a study that you can use

NEW WAYS TO PUT a sharper cutting edge on one of management's most widely used tools—the committee—are suggested by results of an unusual research project completed recently in the Midwest.

The research was conducted over an 18-month period in a large company by a team of six social psychologists from the University of Michigan's Institute for Social Research.

The findings indicate that an effective committee must have:

- A strong chairman who is acceptable to a majority of his committee's members.
- A minimum of control from above.
- Access to adequate information from below.
- Power to influence higher-level decision making.
- Provision for periodic reward of the committee as a group.
- Continuing evaluation of the effectiveness of the committee.

The researchers had a deceptively simple sounding objective: to determine what kind of conditions are conducive to effective committee work and, conversely, what kind of conditions make for an ineffective performance by a committee.

To accomplish this, the study team employed a variety of methods for measuring group action, including a push-button game designed to determine the elements essential to harmonious teamwork, tests in which committee members coldly analyzed the shortcomings and strong points of their associates (anonymity was guaranteed), and close-tolerance observation of 23 meetings in which committees analyzed simulated but realistic business problems and recommended action.

The Michigan inquiry points up the mistakes a company can make by failing to define a committee's powers and mission. It throws new light, too, on the

critical importance of effective chairmanship, pinpointing some specific qualities of the good chairman. It provides a scientific analysis of the frequently unsuspected forces which are at play when any group of equals sits down to deliberate corporate business.

It's a rare organization which does not call on committees to perform functions of management—whether planning company expansion, finding new product ideas, riding herd on costs, or deciding where the next employee picnic should be held.

The degree of committee use varies by company. In some businesses committee action has been elevated through the years to a kind of sacred rite without which the company's entire operations would collapse. In other organizations committees are used only sparingly.

In recent years charges and countercharges about the value of committees have filled the air at management meetings and in informal after-hours discussions among executives. The pro-committee exponents believe committees are indispensable adjuncts to building a spirit of managerial cooperation and participation. The anti-committee faction answers that the committee is an unnecessary device which delays decision-making, shortchanges individual initiative, enforces conformity in thinking and explodes responsibility for action into so many small fragments that no one person can be held accountable for mistakes in judgment which might prove costly to the organization.

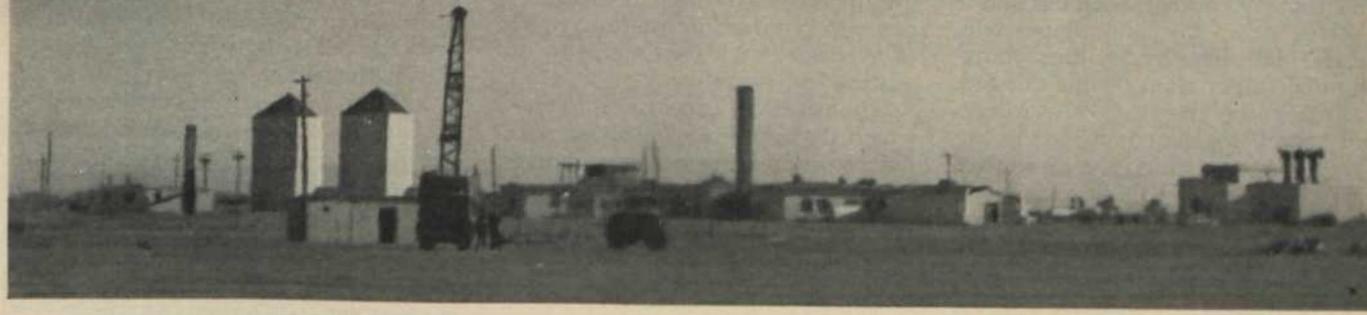
Dr. Jay Jackson, codirector with Dr. Alvin Zander of the research project undertaken by the University of Michigan, says the study was not designed to produce findings which would either approve or condemn committees.

Instead, the research team sought "to describe the behavior and attitudes of the members of 23 inter-departmental district committees in a statewide company during their meetings—as well as the performance of the committees as a whole; to identify specific conditions which affect committees and their members."

The guinea pigs in this particular investigation were 131 middle management executives of the company



A NEW AGE OF FLIGHT STARTS HERE



THE RYAN X-13 VERTIJET climbs steadily, then hovers motionless, pivots like a ballerina, flattens out and streaks away...then slows, hovers again and comes down on her tail at zero mph.

This is the astonishing feat of the world's first jet-powered VTOL, or Vertical Take-off and Landing airplane. Backed by the Air Force and Navy, the Vertijet is another pioneering product of the Ryan Aeronautical Company, successor to the company that produced Lindbergh's *Spirit of St. Louis*.

Since 1922 Ryan has been at work on problems of aerodynamics, power plants and electronics—aviation's frame, muscle and brain. Advanced research and precision manufacture distinguish Ryan's many aircraft assem-

blies and components...from pilotless target drones to jet engine parts, from deadly jet fighters to personal aircraft, from ramjets to rockets.

This 'pioneer with a future' looks to the pioneer of insurance—North America—for *extra value* in protection and in service as well.

INA provides a tailored insurance program, including liability, forgery, employee dishonesty, accident and automobile liability, group travel accident and other coverages. Your company, whether large or small, can get the same kind of *extra value*—ask your INA agent or broker.

* * *

Insurance Company of North America • Indemnity Insurance Company of North America • Philadelphia Fire & Marine Insurance Company
Life Insurance Company of North America • Philadelphia

INSURANCE BY NORTH AMERICA



An effective chairman guides the group directly to its solution of the problem

which commissioned the research. The men comprised five-member committees responsible for the operations of a state-wide organization at its district level—usually several communities served by the company.

The committees met—and still meet—once a month, reporting upward to division level committees their actions and recommendations.

Each member of each committee heads a different district department. Because the executives are accountable to over-all department heads, their attitudes, outlook and motivation are strongly colored by departmental ties. In their committee function, however, they are working with equals of different orientation.

Dr. Jackson points out, parenthetically, that his researchers were fascinated by the differences in personality which strong departmental backgrounds seem to have developed in the men studied. The sales or service executive, for example, tends to be a much smoother, more loquacious, outgoing type—as a result of his frequent contacts with the public—than does, say, the plant man, whose job has made him thing-minded rather than people-minded.

Before the meetings, the Michigan psychologists conducted extensive surveys in which the committee members described how each member of the committee behaved, when serving as chairman—from being very active and directive to being very passive and nondirective.

Here are a few of the guidelines the committee members were asked to use in describing the performance of chairmen:

- Does he (the chairman) make a point of asking the other members for their suggestions about ways of handling the problem the committee is working on?
- Does he present pertinent facts to the group based on his own experience or knowledge?
- Does he steer the discussion, pointing out departures from agreed upon procedures or goals, raising questions about the direction the discussion is taking?
- Does he coordinate and pull together the ideas that have been discussed by the group?

In the one-day meetings, the supervising psychologists, assisted by

management trainees from the company's staff (who had been trained to observe the group's communication patterns), outlined the problem to be tackled in the morning period, named a chairman to run the session and then watched the committee in action.

The committees each had the same time period to consider the problem and to draft recommendations.

The psychologists used their pre-test data to determine whom they would select to chair each meeting. To provide a sound basis for comparison, half the committees were chaired by men who showed up as active chairmen in the pre-test. The other meetings were led by passive chairmen.

In the afternoon sessions, the same committee members participated in an information-buying game developed by Robert Barnes, Donald Wolfe, and Dr. Zander of the Michigan research team.

The object of the experiment was to determine whether the committeemen would seek to increase the group score through cooperative deals in buying information, or try to maximize their own scores by operating individually.

The practical aspect was to show which pattern of organization maximized group cooperation as opposed to emphasis on individual goals.

Out of the experimentation a number of general conclusions can be drawn. These are summarized, as follows:

The effective chairman

Data accumulated in the experiment makes clear that the best committee results are achieved when a forceful, directive chairman heads the group.

Dr. Lawrence Schlesinger, who headed the field operations of the study, says that 35 per cent of the variability in the soundness of the solution to a company case problem, as rated by company personnel, was due to the effectiveness of the chairman.

A passive chairman inevitably led to poor performance by the committee. A good chairman took an active part, helped the committee to start quickly, coordinate its thinking and reach conclusions.

But what makes a "good" chairman?

First, he must be active, directive. In addition—and perhaps most important—he must have acceptance. This means he must have established respect among his associates, both in regard to his professional competence and in his personal relationships.

It was found that the effective chairmen generally were men who had a lot of know-how and initiative. More often than not, they were men who saw their associates frequently and had friendly relations with them. When participating in committee meetings as a member—and not chairman—the strong chairman is one who speaks up often, and to the point, and who is guided in his contribution by what he feels he must say.

He is a person of integrity.

In his role as chairman the effective man follows an orderly procedure of thought relentlessly toward solution of a given problem. He is logical. He has problem-solving skill. He deals with relevant matters and quickly brings the group back onto the track when irrelevancies threaten to sidetrack the discussion.

As opposed to the passive chairman, the active chairman resists counterinfluences and needless debate.

One of the findings of the study was that some men will look good as chairmen, on paper, but may not be effective in practice. Usually this results from their failure to build up deep respect socially and professionally with their peers.

In short, an aggressive personality should not be interpreted as a hallmark of leadership or effectiveness. Aggressiveness helps—if the chairman also has acceptance.

The weak chairman generally was a man who acted in his role somewhat as a man who had a tiger by the tail. The tiger? The meeting.

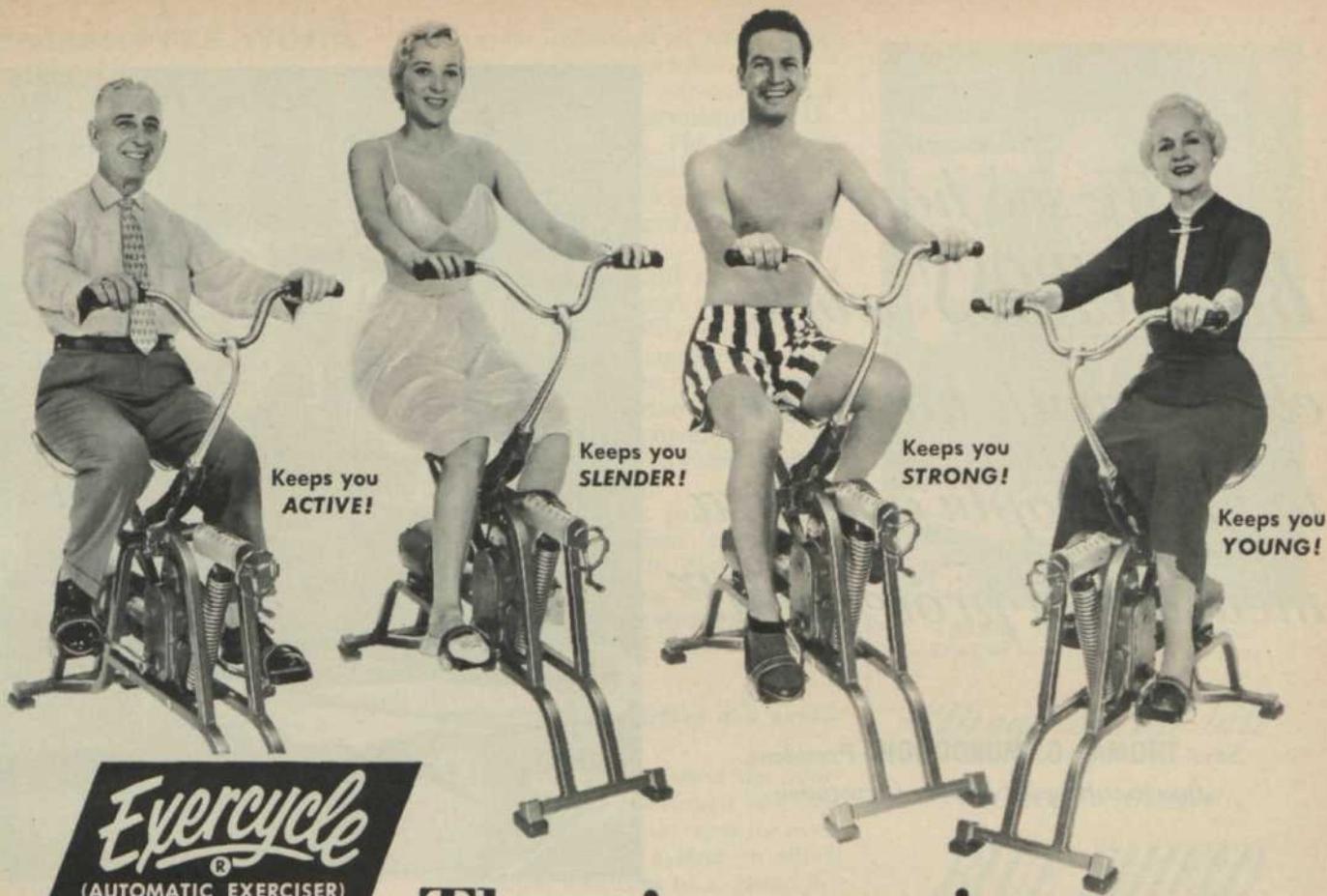
When chaired by a weak chairman the meetings had a tendency to ramble, to lack cohesion and direction.

Because of his passivity, the weak chairman permits counterinfluences and cross-influences to delay the work of the group. Significantly, most determinations of weak chairmen made in advance by the executives filling out the questionnaires were corroborated by the meeting observations.

Minimize control from above

The research indicates that members feel they are serving a useless function if the committees on which they serve are being used only as information clearing houses for higher echelons of management.

The committees studied by the



Exercycle
®
(AUTOMATIC EXERCISER)



TERRIFIC FOR HEAVYWEIGHTS!

There's no form of ordinary exercise that can "burn up" calories faster than an EXERCYCLE. This remarkable instrument handles a 300-pounder as easily and gently as if he were a baby. EXERCYCLE is a favorite among overweight people all over the world.

There's no easier way to keep fit, trim and strong!

MILLIONS CAN NOW ENJOY THE BLESSINGS OF DAILY EXERCISE AT HOME

There's a world of difference between exercising *yourself*, and letting EXERCYCLE do it. That's why tens of thousands of men and women have chosen this easier, simpler and more convenient way of keeping themselves fit, trim and strong. For EXERCYCLE is the *only fully-automatic, motor-driven* exercising instrument that can give you a complete physiological workout from head to foot while you just sit and relax.

There's no form of indoor or outdoor activity designed to keep you slender, young and active that can compare with an EXERCYCLE ride. You can do yourself more good in a few minutes with this amazing EXERCYCLE than you can with hours of ordinary exercising.

EXERCYCLE is a complete home gymnasium in itself. No form of artificial stimulation such as massages, baths, vibrations, slenderizing or reducing techniques can match its overall efficiency. Once you own an EXERCYCLE, you have solved your exercising problems for a lifetime. Start now to turn back the clock and add many happy years to your life.

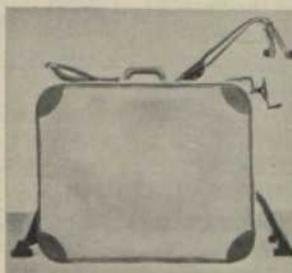
A MODEL FOR EVERY PURPOSE

EXERCYCLES are made for both normal and handicapped adults in need of exercise, regardless of age, weight, size or sedentary condition, and at a price you can afford to pay. Easy terms to suit your budget.



WONDERFUL FOR THE AGED!

EXERCYCLE is ideal for weak and frail people in need of daily exercise. Its smooth and gentle rhythmic motions stimulate blood circulation without tiring the rider.



SIZE OF A TRAVEL CASE!

EXERCYCLE fits into any small nook or corner. It's only 14 inches wide at the base, 43 inches long, and 30 inches high to the seat. Plugs into any wall socket.



SILENT AS YOUR REFRIGERATOR

EXERCYCLE is so unbelievably silent and smooth-running that you can ride it while others sleep. This is why many users keep it in their bedrooms where they can ride it upon arising, or just before retiring.

WRITE TODAY!

**EXERCYCLE CORPORATION
597 FIFTH AVENUE
NEW YORK 17, N. Y.**

- Send me FREE literature and prices.
- I want a FREE home demonstration.

Mr. _____
Mrs. _____
Miss _____ (PLEASE PRINT)

Address _____

City _____

Zone _____ State _____

Telephone No. _____

*"We see how
BLUE CROSS works
closely with hospitals
to give people an extra
measure of protection!"*

Says **THOMAS G. MURDOUGH**, President,
American Hospital Supply Corporation



"In our business we serve thousands of hospitals throughout the country.

Naturally, we feel we are in a good position to know what it costs people for hospital care, and to evaluate the various hospital expense protection programs. For our employees we chose Blue Cross because its objective of helping in terms of actual hospital care, rather than in just so many dollars, means far more realistic protection. And the cost is most reasonable."

Blue Cross Plans, serving locally coast to coast, bring Americans this famed program for prepayment of hospital care... the only one officially approved by the American Hospital Association.

BLUE CROSS is big—55 million members, and still growing. Yet because Plans are organized on a local basis, special on-the-spot advantages are provided for both workers and management. Here are just a few of them:

Easy in an emergency. When being admitted to a participating hospital, the employee simply shows his Blue Cross membership card. No red tape. Blue Cross Plans are nationally recognized and officially approved by the American Hospital Association.

Broad protection. The aim of Blue Cross is to provide for hospital care,

rather than paying flat dollar allowances. Blue Cross Plans work directly with hospitals on each individual case.

Administrative problems avoided.

Blue Cross Plans handle all details of payment directly with the hospitals. No time-consuming paperwork and book-keeping for your office staff.

Easily adaptable. Because of the flexibility of Blue Cross, you can easily integrate this protection with your company's employee benefit program.

Low cost in terms of benefits provided. Blue Cross Plans are required to set aside all money taken in, except what is needed for administrative expenses and reserves, to help pay members' hospital bills.

For information and suggestions on how Blue Cross can benefit your company, locally or nationally, contact your local Blue Cross Plan, or write directly to Blue Cross Association, Dept. 719, 55 East 34th Street, New York 16, N.Y.

A few of the 300,000 companies with Blue Cross:

FORD MOTOR CO.
LIGGETT & MYERS TOBACCO CO.
MATSON NAVIGATION CO.
MARCHANT CALCULATORS, INC.
McGRAW-HILL PUBLISHING CO.
SUNKIST GROWERS, INC.



BLUE CROSS

® Blue Cross and symbol registered by the American Hospital Association

COMMITTEE WORK

continued

University of Michigan team welcomed relationships with higher-level division committees in all but one respect—control.

This points up a general conclusion: An executive likes to have frequent contact with his superiors, but he does not like to have superiors making his decisions for him, or meddling in the details of his work.

To the extent to which they felt they were influencing higher echelons, the committees registered a group satisfaction.

Provide access to information from below

In their reactions as individuals and as a group, the committees disclosed that they sought support from below . . . and information from below necessary to intelligent and effective action at their level.

Stress was placed on the desirability of getting a large volume of information, whether it take the form of operational reports, problem memoranda, requests from below for information, or other items.

The specific nature of the information and specific ways of obtaining it were not studied, however.

The committee members indicated that they welcomed constant feedback from below which would give them a progressive indication of how committee decisions were being received by those at lower levels charged with carrying out the committee decisions.

The findings suggest that committees generally do not appreciate a constant flow of information and advice from higher levels of management. Too often, it was pointed out, this heavy traffic denotes excessive control from above.

Provide decision-making power

An effective committee, it is clear, is one which has a specific job to do—a job which can be easily seen as contributing to the over-all progress of the organization as well as the progress of the individuals serving on the committee.

The data gathered in the study showed that the committees wanted problem-solving power and authority. "Freedom to act" is another way in which this was expressed.

Generally there was resistance to a rubber-stamp function.

Dr. Jackson summarizes this finding of the study:

"The data show plainly that the men enjoy acting as executives—being executives. They don't like to think of themselves as mere stooges

for some individual or some group higher up in management."

This element of self-esteem is a natural one and not unhealthy, Dr. Jackson continues. He points out that it is symptomatic of a desire to accept responsibility—a desire which some managements may not realize exists.

The man in middle management may be eager to reach out and take on more responsibility. In like fashion, the middle management committee or work team may be itching to take on an important planning job or function. This possibility should constantly be kept in mind in shaping company action.

The committees studied by the Michigan researchers showed an overriding desire to participate in long-range planning and programming, and an equally strong desire not to perform jobs of a commonplace nature.

Reward the committee and evaluate its work

A general conclusion of the information-buying experiment was that group rewards will do more for overall morale than a system in which individual members of a group are singled out and rewarded.

The study showed that the individual reward system created impressive degrees of tension and dissatisfaction within groups of equals, while harmony and good feeling generally resulted from group reward systems.

Another important element in this phase of the study was a clear indication that committees desire to have periodic checks made of their performance as a guide to future action.

One of the interesting subphases of this part of the research was an analysis of a committee's area of responsibility.

While findings of this phase of the study were not completely conclusive, they do suggest that it is very important that management spell out the limits of power and responsibility of a committee before it organizes one. There should be understanding of this limit of power among committees at the same level of management, and between committees at different levels.

In the Michigan experiment many of the district committees indicated that they were confused on their intracommittee responsibilities and relationships.

The first and foremost thing to be done in setting out committee responsibility is to determine whether it shall simply pass information upward or serve the broader function of passing up recommendations for action.

END



THOMAS G. MURDOUGH, Pres.,
American Hospital Supply Corp., says:

*"Broad doctor bill
benefits make
BLUE SHIELD
the obvious choice
for our employees!"'*

"Where there's a hospital bill, there's a doctor bill. We make sure our people have well-rounded protection against the expense of illness by including Blue Shield to help with surgical and medical bills. Blue Shield benefits are a 'must' as far as our company is concerned."

Doctors support Blue Shield Plans locally through their medical societies. **Realistic protection**—at low cost. All money taken in, except for necessary expenses and reserves, goes toward paying members' doctor bills. **Adapts easily** to meet employee benefit aims.

No extra paper work! Blue Shield pays directly. No added bookkeeping for your office.

For latest facts, contact your local Blue Shield Plan, or write to Blue Shield Commission, Dept. 719, 425 North Michigan, Chicago 11, Illinois.



**BLUE
SHIELD®**

©Service marks reg. by Blue Shield Medical Care Plans

YOUR WORRIES CAN HELP YOU

These steps will help you make better use of time and energy lost from unprofitable anxiety

THERE CAN BE NO ESCAPE from worry and the sooner one comes to grips with this potential devastator of health and reasoning the better.

The time consumed in worry must be enormous although accurate evidence is admittedly difficult to obtain. Mental hygienists, however, are convinced that many physical ills may be caused by excessive worry. Such ailments may adversely affect the mental processes required to make business and personal decisions. The familiar pill box, cocktails, a round of golf or a short vacation squeezed into a busy schedule may give temporary relief but they fail to get at the more deep-seated causes residing in the human personality.

The business executive who worries excessively must apply the same analytical and objective approach to himself as is applied to the solution of business problems.

As a starter, he must recognize that he is not unique—all businessmen worry. The problem is not that one worries but rather what one does about it. For example, the executive should:

- Understand what worry means.
- Use the energy from worry constructively.
- Reduce worries to a substance that is recognized and understood.
- Determine alternatives. Choose one.
- Make your plan work.

What worry is

Worry is a mental state of anxiety which is related to inadequacy, insecurity or a fear of failure in coping



Worry in a straight line—

with impending events that are either known or unknown. It is characterized by unpleasant mental suffering involving annoyance, irritation, concern, hesitation, pessimism and sometimes despair.

Basically, all of us worry because we are concerned about the possibility of failing to achieve and attain the things we want from life. In a culture such as our own, the demands for successful achievement are imbedded in our personalities at an early age. Competing for success becomes one of our strongest motives. Success involves the problem of attaining goals, and goals are the satisfactions and rewards that each of us sets up as criteria or yardsticks. Such yardsticks are used to judge or evaluate our success or failure. The fear of failure to attain goals may induce worry.

Self-fulfillment is not easily attained because many blocks and obstacles are placed in the path leading to achievement. The businessman knows these blocks. They appear as pressures to outdo the other fellow, to achieve status and position, to master skills and knowledge, to possess wealth, to be recognized and accepted as a successful businessman.

Such demanding pressures may affect, among other things, your physical health and your ability to think logically. The businessman who worries excessively may ultimately suffer from hypertension, peptic ulcers, and other stomach upsets. Such physical effects of worry are more tangible and more readily explained than the mental effects.

With physical ailments, cause and effect relationships can be generally explained to the worrier. One can understand that worry is related to the delicate balance of the chemistry of the body and that, when one worries, this balance is disturbed. Such disturbances can cause an excess of sugar to flow into the bloodstream and cause a temporary form of diabetes. The tension produced by worry can cause a greater amount of adrenalin, a chemical hormone, to be discharged into the bloodstream. This in turn causes the heart to beat more rapidly, the circulation to be speeded, the capillaries, veins and arteries to become constricted, with the result that blood pressure can be increased. The process of digestion can be thrown out

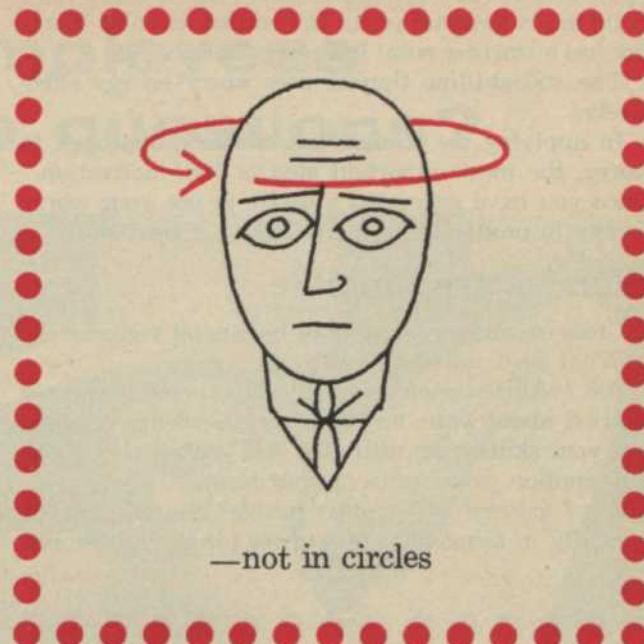
of balance when one worries excessively because the chemicals, in the form of enzymes and juices necessary for proper digestion of food, are disturbed. Over a long period of time this brings the common complaint of "nervous stomach" and may cause peptic ulcers.

The effects of worry upon your ability to think clearly are fairly obvious, too, though the operational mechanisms are not adequately understood from medical or psychological viewpoints. We do know, however, that worriers are confused thinkers. Such confusion probably is related again to many disturbances in the chemical balance of the body. It could be conjectured that such chemical changes probably cause blocks in the nervous system of the human make-up.

When these blocks occur, it may be reasoned that the flow of impulses along the nervous system are retarded or sometimes stopped. The ability to think clearly and logically depends upon the normal passage of impulses over the vast network of nerves in our bodies. It is a fact, however explained, that worry does interfere with or inhibit our mental associations and thereby reduces the effectiveness of our thinking power. To understand how mental associations are involved, remember that thinking is a mental activity that employs language and imagery to solve some problem.

Language is used in an internal or silent manner by talking to oneself about the possible choices that are to be made in solving a problem. Imagery is employed in the mental pictures we conjure up in our minds regarding the probable choices present for making a decision. In a sense, thinking causes the thinker internally to talk and depict to himself the various consequences of his actions.

Generally, thinking precedes action. The executive who is faced with the decision of investing money in further expansion must think before he acts. He usually finds himself using language, in talking to himself, about the many facts needed to make his decisions, facts concerning the economy, the supply of money, the potential markets, the effects on his organization and the like. In this process he also imagines and visualizes the consequences of his possible actions.



—not in circles

Thinking, therefore, demands the ability to make logical associations of knowledge, of facts, of ideas and skills. When worry overcomes the thinker, such associations are hampered and confused, making it difficult to think clearly and logically.

This leads to the whirlpool or circular thinking pattern of behavior, typical of the excessive worrier:

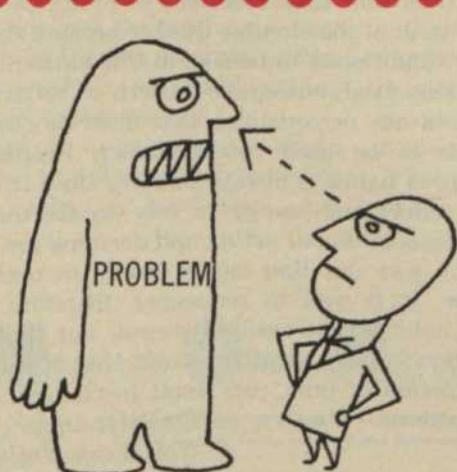
The whirlpool usually starts with a problem that must be resolved; fear of failure produces tensions that may lead to loss of sleep and appetite which sometimes causes minor physical ills; these cause worry about health, which in turn causes the worrier to feel that he cannot cope with the problem. Yet the problem to be resolved is ever present, so the whirlpool picks up momentum.

Circular thinking is better understood when one realizes that the physical and mental concomitants of worrying are inseparable.

Use worry constructively

Worry can pay off in constructive achievement and in developing confidence if one realizes, accepts, and takes action with the following suggestions as a guide:

Remember that all activity is caused by energy in some form. A machine may require electrical energy to produce goods, a house is heated from the potential energy in coal, oil or gas, and automobiles run on converted energy from gasoline. Likewise, human activity is related to chemical energy developed in the body, which makes possible physical and mental activity. One of the many causes for energy and tension in the human body is worry. When you worry, you energize your system and develop a potential source of power that can either be used constructively or destructively. Therefore, the worrier who accepts the fact that energy is produced from worrying—which is normal, at times, for all of us—should realize that a systematic, directed and controlled use of this latent power can be productive for him. The trick is to channelize the power from worry by directing it into straight-line thinking. Straight-line thinking is characterized as logical thinking and has a starting



Stare it in the face

point and a terminal point. In contrast, circular-thinking has a starting point but rarely has an end.

The straight-line thinker uses worry energy effectively.

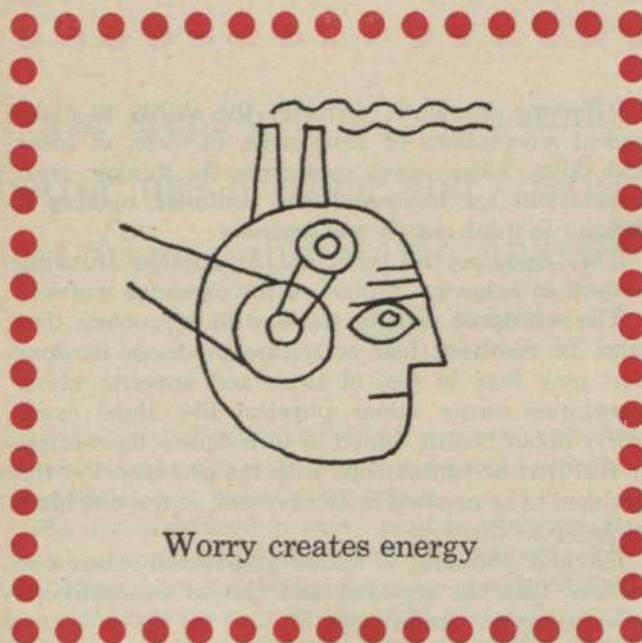
In applying the straight-line thinking approach to worry, the most important step is "self-motivation." Once you have generated a desire to use your worry energy to produce for you, you have a good start.

Worries are tangible

Cross-examine your worries by asking yourself:
What am I worried about?

Am I worried about myself? Ask yourself if you are worried about your health, your knowledge of your job, your skills, your attitudes. Are you worried about a promotion, your status or your future?

Am I worried about other people? Search yourself carefully in terms of your worries for the health and



welfare of others. Am I worried about my family, wife, children or relatives? Am I concerned about my associates and superiors in business; am I as capable as they are? Can I deal with them effectively?

Am I worried about "things"? Do I have financial problems that cause worry; am I worried about owning a home, cars, country place, membership in clubs, education, or ideas? Remember, in cross-examining yourself, try to list all the possible causes of your worries first. Don't trust to memory—write them out.

Next, reduce your worry to a tangible substance. Organize and classify the causes for your worries and carefully identify and label your problem. Don't distort the facts, even if they are unpleasant to face. State your problem in writing and stare it in the face. See the worry written out and in this way you externalize or objectify a worry that may have been confusing you. This will often show you how foolish your worry was in the first place. Taking advantage of some good friends whose counsel and advice you respect is another way to externalize your worry. Talk to someone about your worry, and bring it out into the open. Often the worry is reduced to a mere figment of the

imagination when it is freely discussed. Most important, reduce that worry to a tangible substance. Failure to identify your problem is a direct cause for many of our worries.

Determine alternatives

Now organize your attack. Recognition of your worry is not enough. You also need a plan of action to make your worry pay off. First, write out the possible avenues of approach for solving your problem. Then, critically analyze the possible alternatives or choices before you, and determine which one is best to follow. Now, carefully determine the knowledge, skills, and attitudes you need to carry out your plan. Finally, systematically prepare in a logical arrangement the steps you must follow to meet your objective.

Take action

The acid test only comes when you take direct action. Put your plan into action with vigor and confidence. Believe and be convinced that it will be a success and try to obtain support from as many sources as possible. Enlist help from a good friend to give you a prod when you feel you may falter. Set up some incentives for yourself, avoid commitments that will interfere with your plan.

Don't let initial setbacks deter you. Where they occur, make the necessary modifications in your plan and continue your attack. Remember that when you abandon your plan of action and resort to worry again, your chances of succeeding are lessened. So permit no exceptions to occur in your determination to make worry productive.

Don't wait to put your plan in action. Excuses and alibis are only symptoms of your fear of failure. Once you have developed your plan of action, put it to work immediately. In brief, get started and don't let up, but don't expect miracles to happen immediately.

Worry is a mental habit and did not become a part of your personality overnight. Such mental habits have probably developed slowly as the result of a series of ineffective attempts to solve problems. Habits are automatic in nature, and cause one to react and behave in a rather standardized and uniform pattern. Worriers usually find that their reactions to problems will follow the path of the circular-thinker because they have become conditioned to behave in this pattern.

It is this fixed, automatic pattern of behavior that is built in our personalities that must be changed if worry is to be used constructively. Resistance to changing of habits is always present, since it requires far less effort and energy to rely on the automatic mechanisms to do our acting and deciding for us. It is this easy way out that causes worry to persist and continue. It is well to remember, therefore, that a mental habit is not easily changed, but that strong motivation and a logical approach, that is adhered to over a period of time, can result in changes in your habit patterns.—FRANK A. DEPHILLIPS

New York University

REPRINTS of "Your Worries Can Help You" may be obtained for 10 cents a copy or \$6.75 per 100 postpaid, from Nation's Business, 1615 H Street N.W., Washington 6, D.C. Please enclose remittance.

Do your employees ask you these questions?



You can answer personnel questions with **MONY'S FREE** guidebook!

Written in outline form, MONY's 64-page guidebook holds a wealth of information useful to anyone concerned with personnel. The guidebook is based to a large degree on MONY's own program, administered successfully for years among thousands of employees.

You'll find it includes many sound ideas, proved in practice over the years in a wide variety of businesses . . . in-

cluding many for whom MONY has developed business insurance and employee benefit plans.

Whether you have five employees or hundreds—whether you want to develop a comprehensive program or review the one you already have—you'll find MONY's guidebook most helpful.

For your **FREE** copy, without obligation, mail this coupon *today*!



Mutual Of New York, Dept. NB-58
Broadway at 55th Street, New York 19, N. Y.

I would like a copy of your free
"Guidebook to a Modern Personnel Program".

Name _____

Firm _____

Address _____

City _____ County _____ or Zone _____ State _____

Title _____

MUTUAL OF NEW YORK



The Mutual Life Insurance Company Of New York, New York, N.Y.
Offices located throughout the United States and in Canada

FOR LIFE, ACCIDENT & SICKNESS, AND GROUP INSURANCE
MONY TODAY MEANS MONEY TOMORROW!

After this readjustment we should have a better economy and outlook

small individual taxpayers. "The kind of tax cut I'm talking about," he asserted, "will release capital that will be promptly channeled into new business development. In a few years, it would produce more tax revenue for the government than the present program."

Basically, he went on to say, conditions are entirely different from those which caused the disastrous 1929 crash. Banks are sound; deposits are federally insured, and the stock market is better controlled, with security loans backed by more collateral. In addition there are now many built-in stabilizers against recession.

"I regard the present situation as a breathing spell in what will prove to be a long-range era of unusual growth," he declared.

However, he added, consumers, who still have buying power but are leery about using it, "need their confidence restored in the stability of our economy." To achieve this, he reiterated, it is "absolutely essential that labor and management get together and declare a moratorium on wage raises until we can catch our breath.

"If this can be done, prices can be cut, or at least held level."

The new Chamber president's views are no hastily conceived conclusions. They reflect the philosophy which appeared over his signature in his most recent year-end statement to stockholders of St. Louis's \$600 million First National Bank which he heads. In it, he said:

"Increases in wages and prices [should] be geared to increases in real productivity and not merely to the calendar. The present period of economic readjustment should be no cause for alarm but rather . . . as a wholesome correction of excesses which are inevitably engendered by prolonged boom conditions such as we have experienced.

"We should emerge from this downward period within a comparatively short number of months—possibly by the second half of the year [1958]—and, if we can do so without resorting to inflationary nostrums, the economy will be stronger and consequently the outlook brighter than ever."

THE NEW CHAMBER PRESIDENT has been vocal on numerous other

timely topics. In April, 1953, before Little Rock's Rotary Club, he explored two of his favorite topics—self-reliance by citizens and communities, and adherence to honesty not only by government officials but by businessmen who deal with them.

"We must quit going to Washington with our hands out," he said. ". . . Nothing is more important to the preservation of the American system than a return to the old-fashioned virtue of community self-reliance and all which that term implies. . . ."

Pointing out that, under the then new Eisenhower Administration, businessmen had been brought back into government as active participants, he went on to say:

"More than ever our business ethics will be on review. We must work toward ever higher standards for ourselves. If American business is to avoid burdensome regulations of a restrictive nature, we must police ourselves and see to it that slick and dishonest business practices are put to an end.

"Generally, it takes corruption in business to cause corruption in government. It takes two to consummate a bribe—for every favor-granter, there is a favor-seeker; for every five per cent, there is someone paying five per cent. . . ."

IN A MARCH, 1955, speech to the ABA's National Installment Credit Conference, Mr. McDonnell revealed his personal business conservatism, and his acute distaste for governmental interference with private enterprise. "We do the banking business no good," he said, "when our competitive impulses lead us to reduce the rates and extend the maturities of installment credit to the point where we have great volume but no profit.

"Nor do we do the banking business any good if, by the improper use of installment credit, we invite government control. We had a taste of that dish and it was not to our liking. . . ."

"We may be sure that the threat of government competition is still with us. Those who would put the government in the banking business are still trying to think up new ways to do so. . . ."

"The fight against the socialization of credit is a continuous run-

ning battle requiring eternal vigilance, and one of the best weapons we have . . . is the wise use of installment credit."

No blind critic, however, of all services performed by the federal government, Mr. McDonnell has acknowledged that "there is a definite role for government in our economy," and that business recognizes both the value of government "as an umpire or referee" and "as an agent for the free market in a task beyond the scope of private enterprise."

What he opposes are governmental intrusions designed to "hobble" the free market system.

Materialistic businessmen who take fun in jeering at "egg-heads" will get cold comfort from the new Chamber president.

Last January, taking note of the Soviet Union's alarming scientific challenges, he told the Jackson (Miss.) Chamber:

"Unless we change a prevailing attitude of disrespect for the so-called intellectuals, as expressed in such terms as 'egg-head', 'long-hair' and 'square', we could lose the race. . . . In Russia, the scientist is a member of the Soviet elite. Over here, he has been underpaid, ignored, sometimes suspected, and too often dismissed as an impractical dreamer who doesn't do things. . . . We have reached national maturity and it is time for us to realize that the thinker is as important as the doer. . . ."

In the same speech, he made equally clear his views on organized labor's responsibilities to society, saying:

"The unions have become big business in every sense of the word. They have been exercising monopolistic powers. . . ."

"The possession of power by any private group in a free society requires wise use, else it will be taken away.

"Fifty years ago, big business abused its powers and got its wings clipped by antitrust laws—and very rightly so.

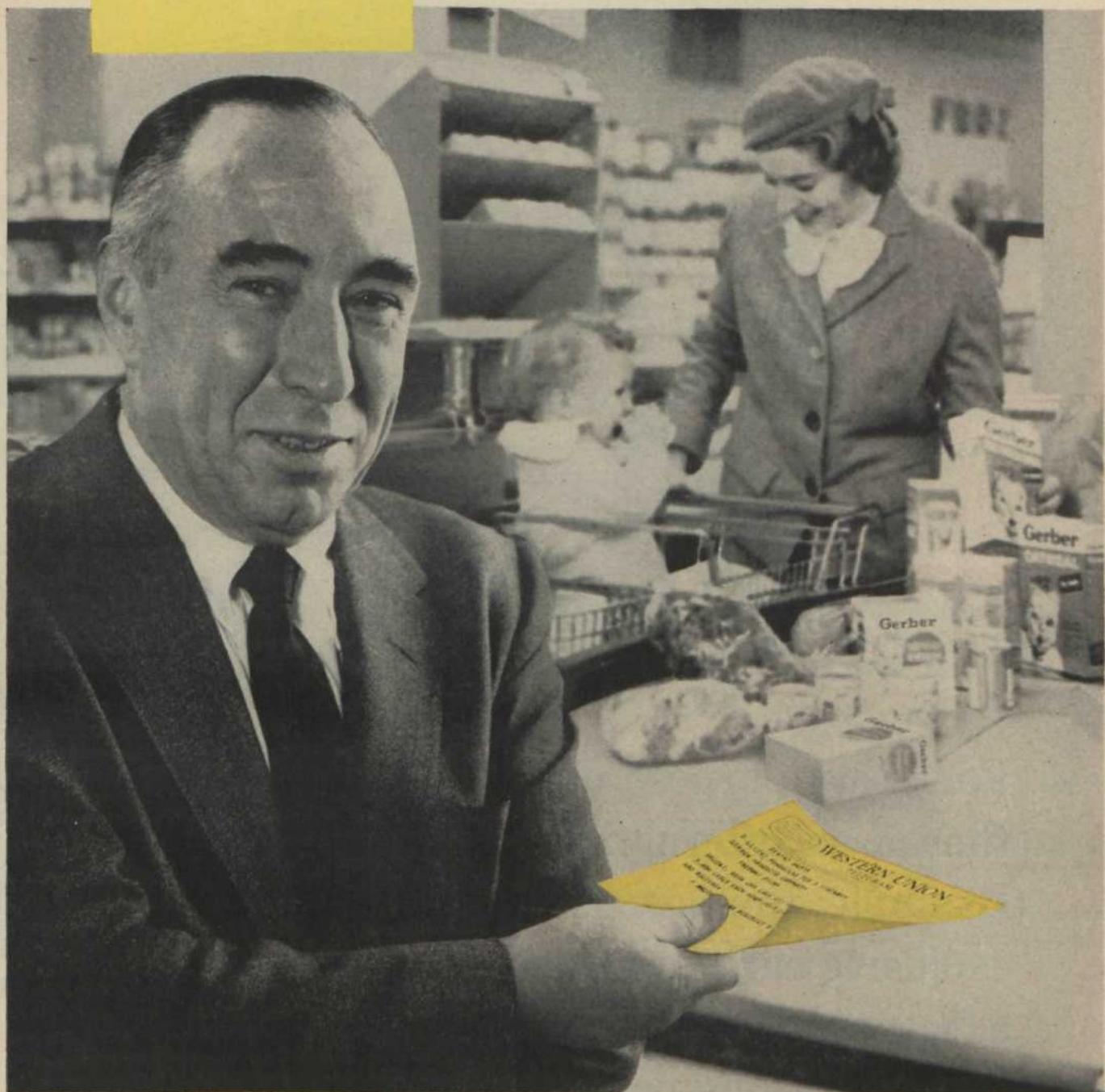
"Now big labor has been abusing its powers, and there is no reason why it should not be brought under those same laws."

Finally, for a capsule view of his concept of government's proper role in society, the new Chamber president gave NATION'S BUSINESS this distillation of his philosophy:

"The federal government should not do what the states can do for themselves; the states should not do what local governments can do for themselves—and local government should not undertake what the individual can do for himself." END

WESTERN UNION
TELEGRAM

Dan Gerber feeds the "carriage trade"—by wire



**He speeds it
in writing
—with telegrams**

"Babies are our customers," says Dan Gerber, President of Gerber Products Company, "and they're the choosiest in the world! To please them (and their mothers), we put out over 80 different kinds of baby food. Keeping all varieties on dealers' shelves is essential—so we rely on the telegram. If important customers in Texas, for instance, appear to be running short, our district office wires us the order; and we wire back immediately confirming shipping data. No chance for errors, either—because the quantities, varieties and routing are right there in writing."

Whenever you want fast action—and a written record—there's nothing like the telegram.



For every purpose under the sun,
there's an International.

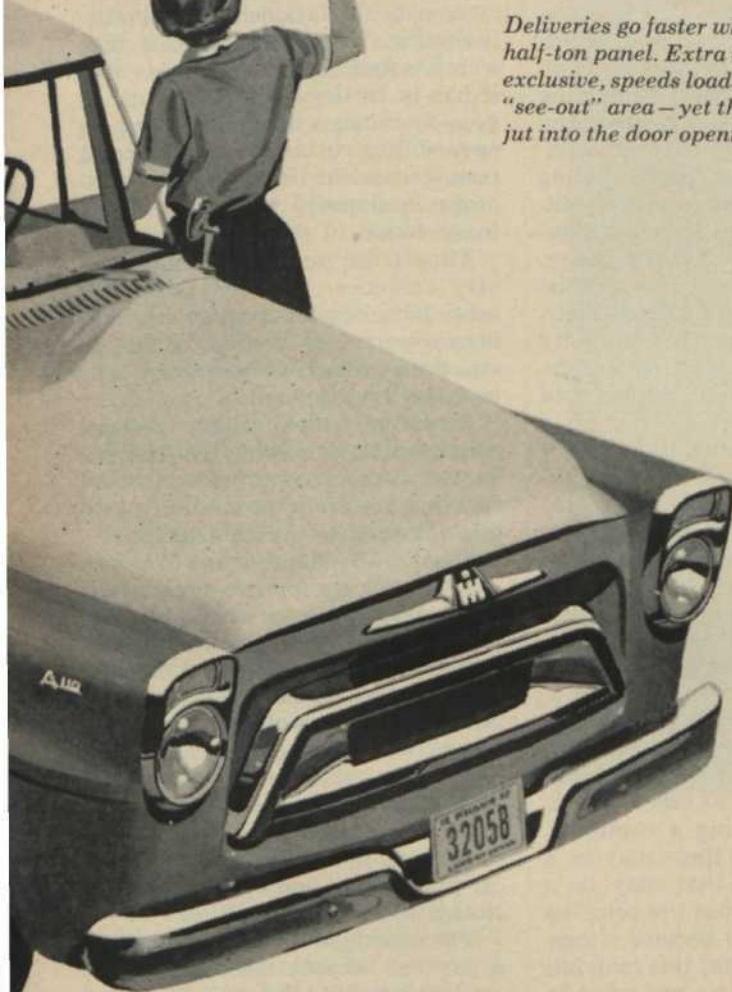
Example: the new Travelall® with
exclusive curbside third door. It can haul
a "wagon" load with space to spare.

Rides eight big people, or a gang of little ones,
in comfort, in safety, in style.

INTERNATIONAL TRUCKS



Deliveries go faster with this new International half-ton panel. Extra curbside door, an International exclusive, speeds loading and unloading. More "see-out" area — yet the windshield doesn't jut into the door opening.



All aboard . . . with extra safety and convenience. The Travelall has half again the loadspace of other wagons — put truck-size loads in its 147 cubic feet. It's truly a dual-purpose vehicle, yet easy to handle and park. See your International Dealer.

cost least to own!

**NOW, FOR ANOTHER YEAR,
INTERNATIONAL TRUCKS
ARE SALES LEADERS!**

- * First in heavy-duty truck sales 26 straight years.
- * First in six-wheel truck sales 23 straight years.
- * First in multi-stop truck sales 20 straight years.
- * INTERNATIONAL offers you more models . . . $\frac{1}{2}$ -ton pickups to 96,000 lbs. GVW.



INTERNATIONAL HARVESTER COMPANY, CHICAGO

Motor Trucks • Crawler Tractors
Construction Equipment • McCormick®
Farm Equipment and Farmall® Tractors

House Beautiful SPARKS HOME IMPROVEMENT

IDEAS!



Exciting, exclusive *House Beautiful* Calendar gives modern housewives home and garden improvement ideas... stimulates contact with builders, landscapers and dealers.

Colorful! Appealing! Different! Art and copy specially selected from the editorial pages of *House Beautiful*.

If you sell the home improvement market, check this for sure-selling local promotion. Call our representative or write direct.

"you're there" with...

SHAW-BARTON
Calendar and Specialty Advertising
SALES OFFICES IN PRINCIPAL CITIES
GENERAL OFFICES AND PLANT, COSHOCOTON, OHIO

Sweeps Cleaner, Faster, Better...

Outlasts Ordinary
Brushes 3 to 1



Over half the nation's top-rated firms have proved there's a Speed Sweep for every job. Write for complete brochure and prices.

MILWAUKEE DUSTLESS BRUSH CO.
530 N. 22nd STREET, MILWAUKEE 3, WIS.

Send complete facts on Speed Sweep:

NAME _____

ADDRESS _____

CITY _____ STATE _____

PROFIT-SHARING DEMAND

continued from page 33

Profit-sharing should aid production without adding to the cost of product

of the employees' share will be used to eliminate what workers' now pay toward the cost of hospital and medical insurance.

Howard E. Nyhart Company, consulting actuaries, says, in its Letter on Employee Benefits, that management must be in favor of a profit-sharing plan if it is to succeed. Profit-sharing is not a means of resolving discord between management and employees; mutual trust and confidence necessary for profit-sharing to work cannot be bargained. Profit-sharing never has been used deliberately to expand purchasing power.

Rawson L. Wood, chairman of the board of the Council of Profit-Sharing Industries, warns that "a faulty profit-sharing plan could easily destroy a company's soundness and sources of capital."

One of the delegates to the UAW convention, opposing the profit-sharing proposal, cited and was disturbed about this newspaper statement by Mr. Wood: "Such plans make every employee a capitalist. Where carefully planned and operated, they act to increase productivity without adding to the cost of the products."

"Now," the delegate told the assembled delegates, "I am sure that there is no delegate here who would have any objection to every worker in the UAW becoming a capitalist, but I do think that there may be a few delegates here that may be a little bit worried about the price we may have to pay to become a capitalist if it means what this man has indicated here, that we are going to have to have, in a sense, another speed up."

Mr. Reuther reassured him the union would continue to fight speed ups as hard as ever.

Thus far, other segments of organized labor have been slow to support the Reuther profit-sharing idea. In fact, expressions of opposition have come from other union leaders as well as from within the UAW.

The MESA Educator, publication of the Mechanics Educational Society of America, an AFL-CIO affiliate headquartered in Detroit, as is UAW, said that the "wicked and deceptive" profit-sharing plan is worse than other piecework or "payment by results" systems because it has no guarantees.

An MESA member raised a ques-

tion whether, after the union becomes "part and party of management," it would lose its identity and initiative as a labor organization.

Labor relations experts are aware of that element in any new labor-management relationship under profit-sharing. They fear, in fact, that a union such as the UAW may feel it has to be even more militant, in even more areas of management responsibility, in trying to discredit management in the eyes of the employees and prove that it is still a tough union.

They point out, further, that the very existence of a union is a hindrance to increasing productivity and increasing profits because of the restrictions collective bargaining imposes on management.

Seniority rules which restrict management in making the most effective use of the work force by restricting transfers, promotions, layoffs and the like are an example.

What's Mr. Reuther up to?

After talking for two and a half years about a shorter workweek with no loss in pay—and getting his 1957 convention to go on record for it—Mr. Reuther suddenly sprang his plan for a division of business profits above 10 per cent of net capital before taxes—one fourth among all employees who do not share in executive bonuses; one fourth among consumers in a year-end rebate to car purchasers, and one half among stockholders and executives.

The stockholders would be taking a pay cut because basically profits are wages paid to them for the use of their money as well as a necessary source of capital for company expansion to create more jobs.

The proposal met with such intense opposition from UAW members and leaders, who want to stick to the original objective of a shorter workweek, that Mr. Reuther had to qualify his position and agree that the shorter workweek issue would still be on the bargaining table.

Behind it all is Mr. Reuther's sense for public relations as a tool in helping him reach his objectives, the ultimate being co-management of business. He feels he always has to come up with a big, new idea or plan that is not only startling but will also capture and hold public appeal. (See "Business Looks at Walter Reuther," October 1957.)

His demand for wage increases without price increases and a "look at the books" during the 113-day strike against General Motors in 1945-46, Mr. Reuther admitted later, was to put the company over a barrel in public opinion.

Early this year, Mr. Reuther could see that he was in trouble, both with the public and many of his members, in pressing for a shorter workweek when workers were complaining about layoffs and short weeks and the public was concerned about the sputniks and catching up with Russia.

But he could not drop the shorter workweek without a sensational substitute which would still serve his purposes. Thus, the profit-sharing proposal with something for everybody: savings to consumers and profit-sharing for bosses and other nonunion employees in UAW-organized plants as well as for the UAW members.

UAW convention delegates gave testimony as to the purpose and effectiveness of the Reuther strategy.

One rose to relate how, the morning after the profit-sharing idea was announced, his boss telephoned him to ask how much he, the boss, would share.

Another told how his doctor asked him how much he, the doctor, might get in a rebate on a car purchase.

More significantly, two delegates revealed how the UAW asks for something that will help get the public on its side, then takes advantage of the public support as a pressure in getting what it really wants.

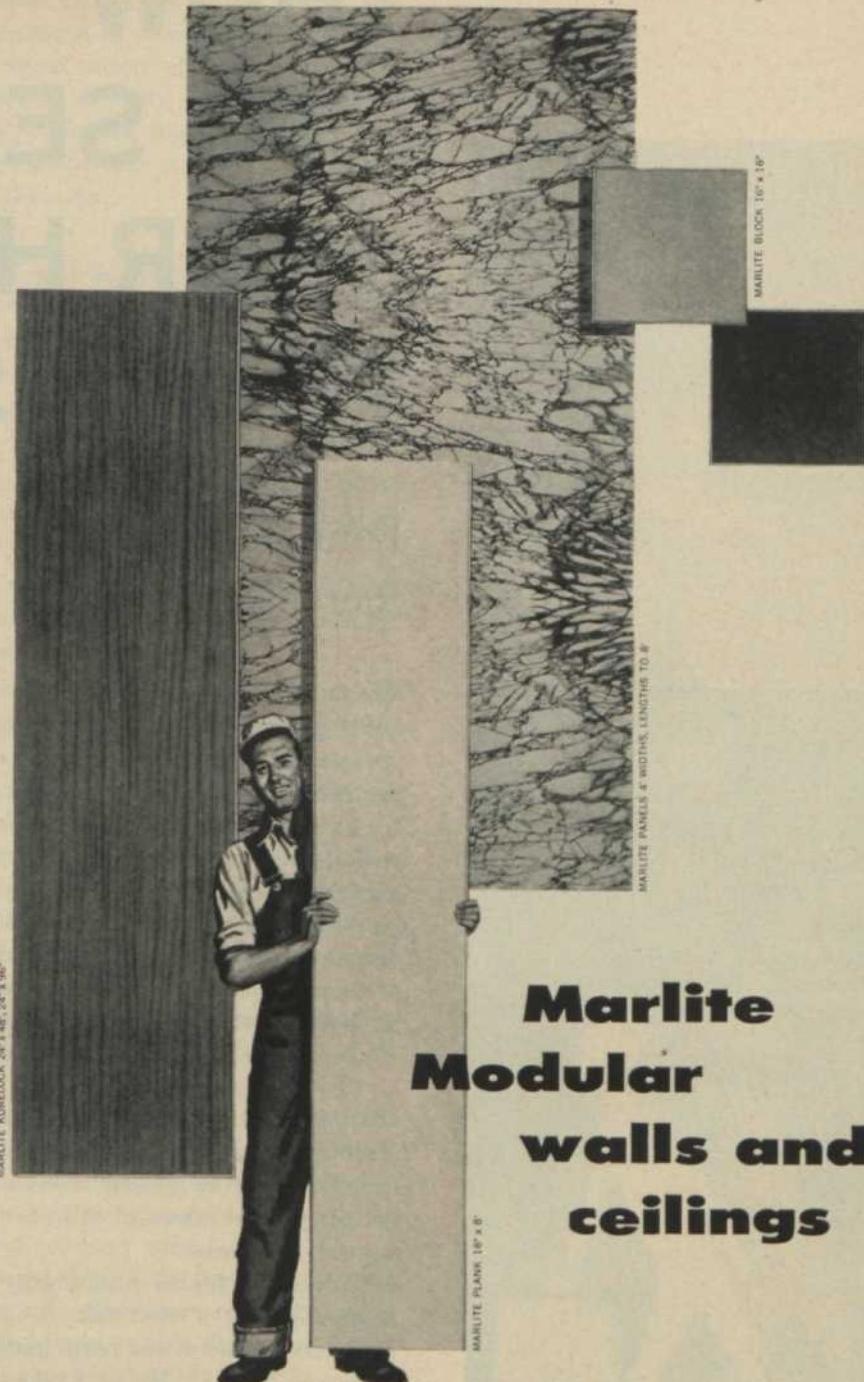
One said that whether the UAW wins or loses a strike this summer will depend in large part on whether public opinion is with the union or with the company.

"Do the delegates here think that people outside of the industry will be more sympathetic to a demand for a cut in prices or a cut in production?" he asked rhetorically.

The other said the union was "going to need something, whether you want to call it a gimmick, some catchy phrase, or anything you can use to get public opinion behind you....

"In this proposal to get the consumer a rebate, if we can get pressure on them [the companies] through the television and newspapers to such an extent that they have got to do something, then we have a chance."

Marlin Garber, a member of the UAW Executive Board, has been quoted as telling local UAW leaders in New Jersey that the union's bid for a profit-sharing plan was a good public relations move. He said, "It puts the public on our side." **END**



Marlite Modular walls and ceilings

greater economy, wider flexibility of design...

Before you build or remodel, consider the possibilities of imaginative Marlite interiors in your home or business. Then compare the economies—low installation cost, low maintenance. Marlite paneling goes up fast over old or new walls. The baked melamine plastic finish wipes clean with a damp cloth; never needs painting. And Marlite is available in a wide range of Loewy "Companion Colors," wood and marble patterns . . . in Planks, Blocks, large Panels, hollow-core Korelock. Ask your architect, contractor or building materials dealer for all the facts—or write Marlite Division of Masonite Corporation, Dept. 570, Dover, Ohio.



Marlite®
plastic-finished
WALL and CEILING PANELING

ANOTHER QUALITY PRODUCT OF MASONITE® RESEARCH

HOW TO SELL FOR HIGHER PROFITS

Four-step program can help salesmen increase efficiency, cut selling expense

MARKETING MANAGERS EVERYWHERE are fighting for higher profitability per product and higher profitability in terms of individual customers and territories. In this effort, their activities revolve around increasing the profitability of the salesman.

As to the salesman himself, never has it been more in his interest to make common cause with marketing management. The salesman who succeeds these days is the one who realizes that what's good for company profits is also good for his own. Marketing managers can help salesmen interpret "profits" as "salary, commission and promotion."

As the salesman's salary is boosted to keep pace with the rising trend in living costs, profitability must go up with it for, in the words of F. L. Capers, sales manager of McKesson & Robbins, Inc.:

"To meet today's competition, we need the best salesmen we can get. To get good salesmen, you must pay them. As you pay them more, profitability per salesman has to go up. If it doesn't, we'll have to hold compensation at present levels and take an inferior type of salesman. Or the present salesmen will have to take the loss. That prospect doesn't appeal to anyone."

To sell for higher profitability today, the salesman must add to his understanding of what today's scientific management is trying to accomplish and increase his participation in its all-out effort to improve the company position. He must take it upon himself to be his own marketing manager.

His over-all objective will be to increase his own efficiency and in so doing he will automatically reduce the company's sales expense per dollar of volume he sells. He can do this in four ways:

1. Increasing time available for actual selling.
2. Making the most profitable use of this increased time.
3. Participating in marketing strategy.
4. Helping build marketing functions.

More selling time

How and when to put this program into effect? The time to get started is now, but these things also call for a little thinking into the future.

"Successful self-management revolves around good long-range and



Be your own
marketing manager

short-range planning," says Carl Hoffman, a director of McKinsey & Company, Inc., management consultants. Other authorities agree. The single weakness most frequently encountered in salesmen's over-all job performance is poor planning and organization of time and effort, according to a survey of 180 companies recently conducted by the American Management Association. To overcome this, sales technicians suggest that the individual salesman should take a day off and work up a long-range plan somewhat along this line:

1. List all worth-while accounts.
2. Write down the sales potential of each account; then arrange the accounts in descending order, from the largest to the smallest potential.
3. Decide on a realistic volume objective for each if one is not already set. Then estimate the amount of time it will take to get this business.
4. Divide the accounts into categories according to the size of the objective.
5. Allot to each category the proper percentage of selling time. Some salesmen divide their time into sales work units, a sales work unit being the average time it takes to make a call.
6. Block out on a "time-planner" (which may be nothing more than a one-year calendar) the number of units you estimate will be necessary to spend with each individual customer.
7. Work out the call frequency for each.

Long before the average salesman gets down to the end of his list of accounts, he will have exhausted his time requirement for the year.

"In company after company, as many as four fifths of the sales are made to as few as one fifth of the customers," says George Butler of Barrington Associates, Inc., management consultants. "Yet out in a territory, a salesman may be burning up shoe leather trying to give equal sales coverage to five times the number of accounts he can properly handle. He should be concentrating on that richest fifth."

This kind of planning enables the salesman to sell where the greatest potential lies. He may wish to coordinate his thinking with his district sales manager in order to make the greatest potential use of all available company data.

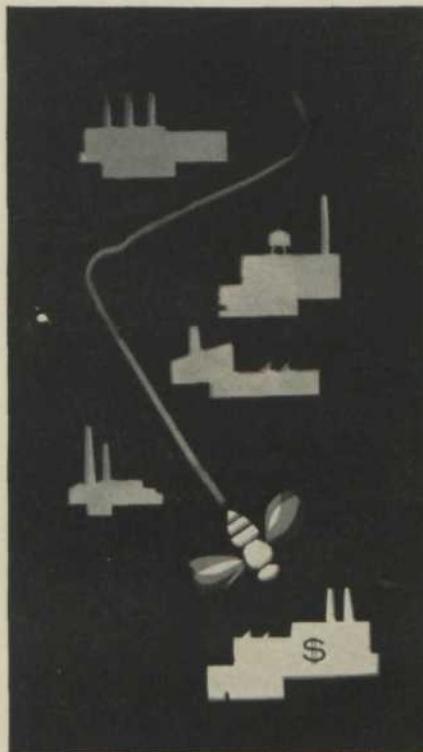
In a growing number of companies, such thinking is being carried further to concentrate on the most profitable products. Up to now, it has been the common practice to make profitability calculations in the upper echelons of management. The salesman then gets his orders on what products to push without knowing precisely why.

Today the tendency is to bring these calculations down to the field level. Companies are giving the first line supervisor complete profit information. Some are also taking the salesman into their confidence, although giving the salesman too many detailed product profit figures raises problems.

"In the last year or two, we've begun indoctrinating salesmen in the profit concept," says Herman W. Leitzow, vice president of sales for Schering Corp. of Bloomfield, N. J. "However, it's a ticklish thing. If the salesman gets too involved in figures, he won't have time to sell. Also, the figures are likely to fall into the hands of competitors if, for example, the salesman changes jobs. However, you can give out the information in terms of relative profitability or, if nothing else, you can peg the commission in terms of the profitability of individual products."

This new practice of profit-orienting the field staff is important, and top management must learn how to give its employes more and more of this type of information, Mr. Leitzow believes. When salesmen are taken into the company's confidence, they feel they're being treated as adult businessmen, he says, and they turn out a better job.

"If a company doesn't want to give the salesmen too much detailed information on product profitability," says J. Thomas Cannon, of Cresap, McCormick & Paget, management consultants, "it should at



Concentrate on the
richest fifth



Too involved in figures
—no time to sell

HOW TO SELL FOR HIGHER PROFITS *continued*

least provide standards—based, for example, on the size of the customer or the nature of the product mix—which the salesman can use in determining whether to call on a given account—and with what frequency."

Using some of the new methods of distribution cost analysis, management is also beginning to calculate the profitability of sales areas and even of individual customers. This enables the company to give the salesman figures on the profitability of certain areas in his territory, taking into consideration such factors as freight charges and service costs.

Such figures would have been a great help to a puzzled salesman of sports equipment who had been given a new territory including Iowa, Minnesota, North and South Dakota, Wisconsin and Northern Illinois. Ninety per cent of his potential was in the Chicago-Milwaukee area. Receiving no counsel from management, he racked his brains on how to cover the wide open spaces comprising the other 10 per cent and finally decided to give them one week a month—25 per cent of his time. Looking at things from the profitability standpoint, it's easy to see where this man tossed away 15 per cent of his sales—perhaps more, counting all that time on the road.

"In many cases where we have realigned sales territories," says Carl Schuster, of Rogers, Slade and Hill, management consultants, "we've cut these territories down to size and invariably the salesman has screamed his head off. But in every instance over a period of time he has sold more than he did before. He had more time to devote to the big customers and he made big ones out of small ones—those that were small on the books but big in potential."

Salesmen are not the only ones who think wrongly on the score of profitability. Consider the case of a district manager for a company making industrial sewing machines.

"I'm proud of John Jones," he told one of his friends at the club. "He's been calling on the Kangaroo Shoe Company every month for the past three years and last week he finally sold them a machine."

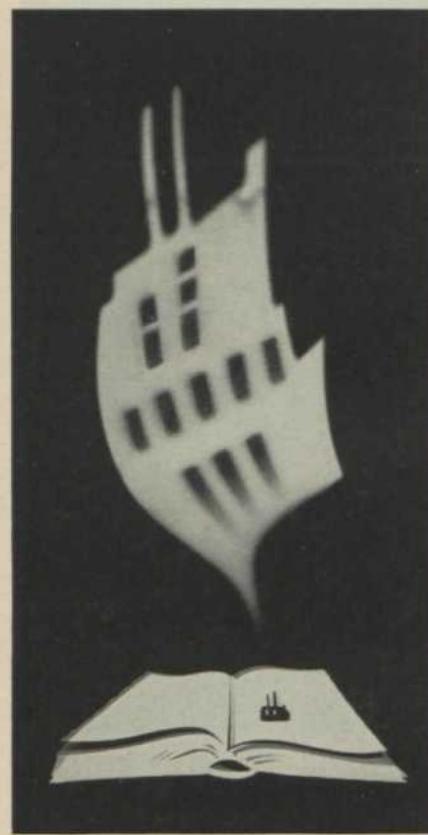
The machine sold for \$200 and yielded a \$30 profit. Jones had spent \$300 putting over the deal.

Whatever informational practices are employed, merely thinking in terms of profitability and long-range planning changes the whole attitude of a sales department. Once the long-range planning has been properly done, the short-range planning will fall in line. Never has it been so important. The demands of competitive, high-profitability selling today should make every salesman look at the hours available to him and squeeze the most out of each one.

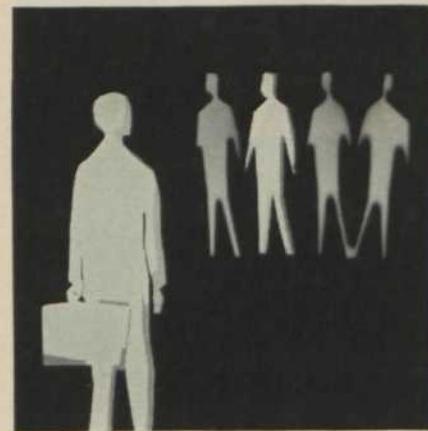
Under the best conditions, total selling hours add up to only about 1,500 a year. Knock off lunch times, day-time travel and waiting time and you pare off hundreds more. Experienced salesmen say the most you get out of a day is three or four hours of actual selling time. Some figure a good deal less. Bert Schain, district sales manager of the Universal Watch Company, estimates actual selling time at only two hours a day—less than 500 hours a year. For the \$15,000-a-year salesman, he figures each hour is worth \$30—or fifty cents a minute.

How to make the most of your time? Every good salesman has his way of organizing his week and his day in advance. Among the recommended methods are these:

- Sit down on Sunday night and make out a schedule including each of the following five days.
- Work it out around the long-term appointments that require specific visits at specific times.
- Fill in the blanks in the schedule with other calls.
- Group each day's calls to cut down travel time.



Small on the books
but big in potential



Pick the right person
to sell to

- Keep a card index showing what each customer said last time and what's to be taken up next.
- Review each situation carefully to see specifically what a call can accomplish.
- Estimate the time needed for each contact on the basis of what is to be taken up.
- Write letters or send cards ahead to the week's prospects.

Each day, the adviser says, a successful salesman should:

- Firm up the next day's schedule the night before and make all possible phone calls.
- Use a map to lay out the day's calls. Some salesmen mark an X on the map for each prospect and cut travel time to the bone.
- Follow up with phone calls as they go along to confirm previous arrangements and line up new appointments.
- Choose the most profitable prospects by a constant selection process and leave the least profitable until last.
- Before seeing each prospect, glance at his card to keep previous purchases, seasonal data, facts and figures fresh in mind.
- Before a call, review the personality of the customer and decide how to get him to participate in the interview.
- Have samples and presentation material in order.
- Plan to be eating or traveling when the prospect is at lunch.
- Learn customers' habits and work around them to avoid waiting time.
- When waiting is inevitable, use the time to catch up on required reading or planning.
- Study each day's performance and take steps to improve it. One salesman actually makes a time and motion study of his week's work every three months—right down to the last 15-minute period. At the end of each day, he adds up the categories and spots places where he can make corrections.

To give salesmen time for this kind of work analysis, companies are streamlining to minimize the time spent on paper work. Some firms provide calling cards to be filled out merely by writing in code numbers or letters. McKesson & Robbins salesmen have a daily report card that takes 60 seconds to fill out. Such forms sometimes include space for the type of sales intelligence which the company considers most valuable.

In one company, these cards provide a record which the salesman can use in planning his calls; after he sends the card in as a daily report, the home office records it and returns it to him to be used in his customer files.

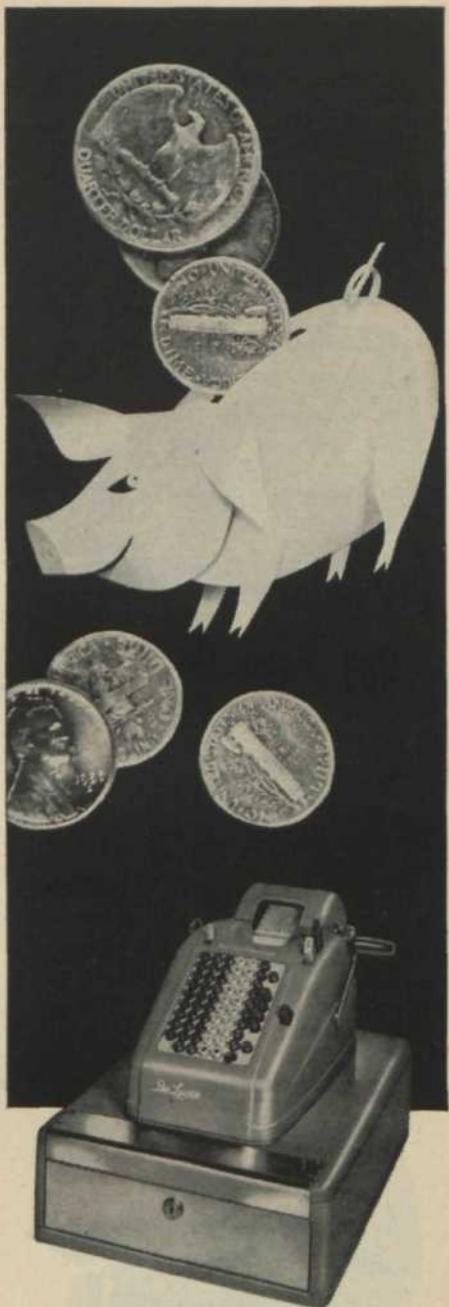
Every salesman resents the time he spends on reports. But reports provide customer information that is the key to scientific marketing.

Most profitable selling

Making the most profitable use of selling time involves mainly:

1. Finding the right person to sell to.
2. Spending your time on what counts.
3. Showing the customer how to make a profit.

Finding the right person to sell to: One of the most important rules, especially in the industrial field, is to pick the right person or persons to sell to. Many salesmen make it a routine procedure to call on the



Big Saving

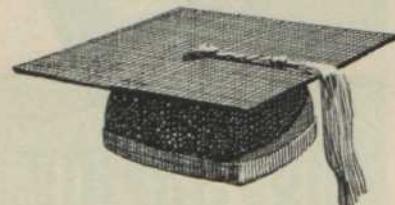
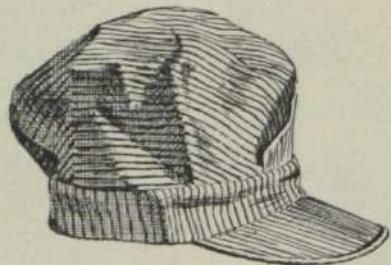
put money away with America's
lowest-priced, full-featured
Cash Register!

Save those hard-earned business dollars — with a Smith-Corona! Nowhere else do you get so much cash register for so little money. Now color-styled to blend with any business decor, a Smith-Corona cash register records every transaction on tape, has coin bank for tax money, boasts many other "extras." Available with special keyboard for your specific business. Priced from a low \$179⁵⁰*

*Manufacturer's list price. Subject to change.
F. E. Tax extra. Model shown \$219.50.

SMITH-CORONA

WHATEVER YOU DO



Whatever you want in an adding machine, you'll find Burroughs makes one exactly right for you. Right features! Right functions! Right price! Most complete line in the business, featuring 3 basic styles: full-keyboard Director, economy-buy Thrift-line, compact Ten Key. Call our nearby branch office or dealer for a demonstration. Burroughs Division, Burroughs Corporation Detroit 32, Michigan.



BURROUGHS-T.M.

HOW TO SELL FOR HIGHER PROFITS *continued*

purchasing agent. In many cases, he is not the fellow who makes the buying decision. He buys on specifications from engineers or control groups or someone else in the echelons above him.

Says one sales consultant, "I made the rounds recently with a salesman for a nationally known corporation which sells a certain type of fuel to industry. At one big plant, this salesman sat cooling his heels outside a huge office where dozens of buyers were making marks on stacks of paper. When my salesman got to the man he was waiting for, it turned out that he only filled out order blanks. He readily made a phone appointment for us to see the engineer who made the decisions. This man saw us immediately, asked a few questions and gave the salesman ideas on a number of additional products he might sell this customer in the future."

In the field of men's apparel a salesman may call on department stores and men's specialty shops—many of them operating in groups. If he does his job right, he sells a whole merchandising program. He may help to plan the stock of goods for a complete selling season, then work out the advertising to go with it, and also plan displays and store promotions. He must get commitments not only from the buyer but from the merchandising manager, the advertising director and perhaps the chief executive of the store. He must know the interplay of authority in each store. It may take time to see all these people in the beginning and work out the whole program. But it's usually well worth while.

But, says one consultant, "I was traveling with a salesman for a well known line of men's wear. One day I watched him work his head off trying to sell a line of men's wear to the buyers of a group of southern department stores. These people raved about the line, but in the end they told my man that they could buy nothing; that they were restricted by orders from the president of the store group to buy only certain items. My man should have found this out in the beginning and spent his time trying to persuade that president to rescind his restricting order—or gone on to the next prospect."

Spending time on what counts: "The time to make your first call report on your prospect is before you make your first call," says Al N. Seares, vice president, Remington Rand Division, Sperry Rand Corp. "You should not only know whom you are going to see but what things are important to him: price, performance, brand name, service, engineering, or what not. The important element may be price; if so, there's no point in wasting a lot of time selling performance, which he already accepts."

Planning, analysis and experience have been combined to work out systems which guarantee absolutely the optimum use of time with certain definite classes of customers. The National Wholesale Druggists' Association has figured time used in selling druggists down to minutes.

Time and motion studies of the drug wholesalers' salesmen show that the typical call takes about 45 minutes. This time is divided into, 1, promotion selling, 2, want book or replenishment selling, and 3, non-essential time. Promotional selling, estimated to take 11 minutes, is divided into 4.2 minutes selling from printed matter or selling sheets; two-plus minutes of showing samples and four-plus minutes of suggestion selling.

In this field, management has practically everything figured out for the man who is doing the selling. Ninety per cent of their selling is replacement selling, the salesmen are told, and 10 per cent is promotional selling. The drug salesman is instructed to sell the customer his value in terms of:

1. His own counseling.
2. The service of his house.

3. Proper handling of credit.
4. Handling of emergency orders.
5. Handling of invoices.

The drug people, as in perhaps no other field of selling, have realized and capitalized on the value of service selling.

Showing the customer how to make a profit: Service selling revolves around showing the customer how to make a profit, and for almost any salesman today it is a vital part of the job.

A good salesman calling on a department store frequently knows more about the merchandising of his line than the store manager does. Invariably, he can give pointers on displays, on promotions and the selling points of the product. Thorough product knowledge is an important asset to the customers' floor people in putting over a sale. Without getting too much involved in technicalities, it is up to the salesman to pass along enough of this knowledge to enable store salesmen to make the best possible presentation.

In the industrial field, the good salesman tends more and more to become a consultant to his customers on:

1. The application of products.
2. Operation of the plant or establishment.
3. Economic matters in general.

Service is not just a chore. Giving service can be a reason for calling. It's a way to keep the customer from saying:

"Gee, I wish that guy wouldn't come around and take up my time if he doesn't have anything new to tell me."

It's true, indeed, that service selling makes more work for the salesman; he must be constantly collecting information on the customer's business, reading trade publications and asking questions. But, due to the more complex and competitive nature of marketing today, service selling has come to stay and, properly integrated into the selling program, can be one of the most rewarding avenues to higher profits.

Participating in marketing strategy

Although strongly reinforced from above in today's modern marketing department by marketing research and other customer-conscious divisions, the salesman can, nevertheless, make an important contribution to marketing strategy in:

- Providing marketing intelligence.
- Helping with product development.
- Supplying price guidance.
- Assisting with sales forecasting.

Providing market intelligence: "One of the most valuable types of information the salesman can provide is data on the customer's total requirement," says Roger C. Hazen, of Bruce Payne and Associates, marketing consultants.

"The company's object, of course, is to sell the greatest possible quantity of the most profitable product. With the total picture available, it is possible to calculate the company's share, tell whether it is all it should be and take any necessary action."

Data on lost sales can be invaluable. But it is difficult for the salesman to bring himself to send in this type of information. However he does it, he seems to be admitting his own shortcomings. But whether the

THERE'S ONE FOR YOU



BURROUGHS ADDING MACHINES



HOW TO SELL FOR HIGHER PROFITS *continued*

fault lies with the salesman, the company, the product, the price, the delivery schedule, or what not, the salesman is giving his company vital intelligence that can be used to improve the product, broaden the product line, improve the delivery system, purchase needed equipment, or beef up customer service.

Salesman should plan
in order to



keep travel costs down



selling time up, and



expenses in proportion

Helping with product development: A customer may report a need for a new product. He may ask for a new application which could open the door to a new product. Or, he may suggest a change in an existing product. All these things are valuable marketing intelligence and every salesman should have a system for transmitting them to the home office as rapidly and as completely as possible.

The salesman can also perform a valuable service in giving out new products to friendly customers for market testing. For this, he must develop and maintain close working relationships with the customers or they won't give him the time.

Supplying price guidance: The salesman should be alert to changes in the competitor's prices and quick to report them. He should be on his toes to report back to management when his own company's prices seem to be getting out of line with those of the industry. In the case of new products, he can give helpful guidance on the price the company can get if he's well informed on his customer's habits and business.

Assisting with sales forecasting: Customers should be checked periodically to discover what their future requirements will be. The salesman can be the best source of such information because he forms confidential relationships where no end of valuable data is passed on informally for anonymous use. It may not be possible for the salesman to get information from all his customers, but enough should be obtained to form a pattern. Findings should then be systematized and passed along to market research to form a company forecast. The salesman should consider it part of his responsibility to learn what's going on in the customer's establishment. He should find out everything possible to guide company headquarters in its planning.

Helping build marketing functions

Besides concentrating on the quality and quantity of his own active selling, the successful salesman who is also a good manager makes a broader and broader contribution to marketing functions in his own territory and in his company as a whole. This contribution is not just an outright gift to management; it redounds to his own benefit in terms of cash and promotions. He contributes by:

1. Helping to plan advertising.
2. Cooperating in expense control.
3. Participating in sales training.
4. Cementing relationships with the customer.

Helping to plan advertising: The wide-awake salesman can observe customer and company advertising and make recommendations that will help shape it more effectively. Because of his close contact with the field, he can have the best feel of anyone in the company on the most effective approach.

Even in consumer advertising, a good line salesman will read the ads in the local papers and see if his company's ads are out of tune with the locals. He'll see whether his customers are using their cooperative

advertising effectively. He is always alert to finding out which ads are doing the most good and suggesting needed improvements.

Cooperating in expense control: In these days of mounting expenses, sales expense control becomes of greater personal interest to the salesman-territory manager. Especially when cost calculations are brought down to the territorial level and he becomes responsible for a profit-showing in which expenses are an integral and firsthand consideration. In any event, the salesman who wants to get the whole picture can find out what it costs to keep him in the field and calculate the cost of one of his own sales calls. From then on, it becomes a pure matter of planning to keep travel costs down and selling time up, and a matter of personal common sense to entertain in proportion to business.

Helping with sales training: Training of other salesmen has practically become an integral part of every salesman's job. Many used to look upon it as an added chore to get out of the way with as much dispatch as possible. Today's salesman on the way up, however, regards it as an opportunity to show what he can do on the next rung of the ladder and an opportunity to refresh himself on his own selling techniques in the process of demonstrating them for another. He realizes, moreover, that a large part of the company's service and sales volume depends on the effectiveness of its sales training program.

Cementing relationships with the customer: "It is the salesman's responsibility to bring other influences to bear on the customer company," says Mr. Cannon. "Extra service should be applied whenever the sales potential warrants it. A large account, already producing a volume of business, does not require as much actual selling time as it did in the beginning. Nevertheless, it needs attention, lest competitors edge their way in. Under these circumstances, some of the company man-hours devoted to the account can be those of management and technical personnel."

The salesman covering the account should be watching for opportunities to put his own top-level management in touch with their opposite numbers and also for chances to render special service. For example, his research people may be able to show the customer firsthand what the product will do on his equipment. The technical service man may be able to help the customer with some knotty problem.

Some salesmen fear such contacts may detract from the customer's faith in their own abilities. Quite the contrary: It flatters the customer's vanity and makes him inclined to depend on future services.

The salesman sells today under conditions that never existed before, in a market where trends are ever more to the buyer's advantage, a market flooded by a host of new products which allow the customer to be more and more selective, where competition is always ready to knife in with another new product or another new deal. He sells in an atmosphere where customers are more profit conscious, more cautious, prone to examine values more carefully and ever alert to cut costs.

To meet the new conditions, he needs to take advantage of every new development in planning and selling for profitability and all the latest marketing techniques. He will do well to review all possible methods and systems that the marketing experts produce, but beyond that it is up to him to do his own planning, his own thinking, his own analysis of selling situations, and to make his own discoveries of product and profit opportunities. In short, he must be his own marketing manager at all times.

—PHILIP GUSTAFSON

REPRINTS of "How to Sell for Higher Profits" may be obtained for 22 cents a copy or \$14.85 per 100 postpaid from Nation's Business, 1615 H St. N.W., Washington 6, D.C. Please enclose remittance with order.

for new
horizons
in modern
office living
... write
for full
information

PATENT NO. D178,640

FROM THE STUDIOS OF DESIGN, INC. BY KARMIENTO

good
to know

Eastern Express, Inc. is a leader in America's greatest shipping service—the dock-to-door motor carrier.

Assuring to realize you can count on Eastern Express, Inc. to move your product direct to destination—at lowest possible cost.

Important to remember the award-winning claim-prevention record of Eastern Express, Inc. . . . to your advantage whether you ship TL or LTL.

General Offices: 128 Cherry Street, Terre Haute, Indiana

Connecting the Midwest with the Eastern Seaboard: Akron
Baltimore • Bethlehem • Bridgeport • Chicago
Cincinnati • Cleveland • Columbus • Dayton • Evansville
Fort Wayne • Harrisburg • Indianapolis • Jersey City
Metuchen • Philadelphia • Pittsburgh • Trenton • Zanesville
St. Louis

Why men choose this appliance



Onan Emergency Electric Plant

It's men who buy insurance. An emergency electric plant is another form of insurance . . . protecting the home and family against disaster. Power interruptions can make homes uninhabitable . . . without heat, water, lights, or communications. Pipes can freeze, food can spoil . . . fires become a greater hazard.

Onan Emergency Plants eliminate these dangers . . . provide all the "highline" power you need as long as you need it. Start and stop automatically.

MODELS from 500 to 150,000 watts A.C. Size for average home costs about the same as a food freezer

Folder describes many models for homes, farms, businesses. Write.

D. W. ONAN & SONS INC.

3354A University Avenue S. E., Minneapolis 14, Minnesota



OPTICS FOR INDUSTRY! OPTICS FOR THE SPACE ERA!

Giant FREE CATALOG

OVER 1,000 OPTICAL BARGAINS!
Comparators • Microscopes • Magnifiers
... many Cost-Cutting, Quality Control Aids
Astronomical Telescopes • Satellite Scopes
to See the Wonders of Space!
REQUEST FREE 80-PAGE CATALOG "EL"

EDMUND SCIENTIFIC CO., BARRINGTON, NEW JERSEY

THE TRUTH

If you are a \$5,000-to-\$20,000 investor you should have our free folder "What Is A Royalty?" for higher monthly income than is possible elsewhere. No stocks for sale. Address Operator NB, Rm. 724, Cooper Bldg., Denver 2, Colo.

PHOTOS 24 HOUR SERVICE
ONE OR A MILLION
YOU CAN'T BUY A BETTER PHOTO AT ANY PRICE!
FREE DELIVERY ANYWHERE IN U.S.

Write or Phone
For Complete Price List
HO. 7-6178
QUANTITY PHOTOS, Inc.

1000 8x10 Glossies 7c ea.
5509 SUNSET BLVD.
HOLLYWOOD 28, CALIF.

MANPOWER—WHAT WE NEED *continued from page 37*

Helping people to develop themselves will strengthen our human resources

why I think it is so important. Roughly 50 per cent of the brightest people of the country in terms of native endowment have never graduated from college.

One of the interesting findings in World War II was that approximately 5,000 of these top people had never gone beyond elementary school. But, whether or not an individual can qualify for a top position, it is important to develop whatever aptitudes he has.

The Secretary of Labor and the National Manpower Council have been bothered because apprenticeship training and skill training in industry really need strengthening. It is no use for scientists to develop a complicated machine unless you have workers capable of installing the machines, operating them and repairing them.

The automation problem also underscores the importance of more skill training for the population as a whole.

Some time ago one of the IBM staff estimated that calculators alone would create a need for several hundred thousand new systems people who understood, at the technician level, some of the intricacies involved in the operation and repair of these machines.

Fear has been expressed that, when our baby crop now maturing comes into the work world, we may need 12 million new jobs.

In a certain sense, an automatic relationship gets established between the people available and economic needs.

In a dynamic economy the rate at which one can move ahead depends both on the quantity and quality of the people. In turn, the amount of training and preparation that people are willing to take and pay for depends on their estimates of what the outlook for jobs will be.

I see no particular difficulties because we are going to have a large number of new workers or because we have continued to raise our educational standards.

I would rather say that the continued improvement in the quality of the population is one of the mainstays for our continuing economic progress.

However, I am not certain that some of the extremely large esti-

mates of future college populations will necessarily come off. It may be that, at some point, the earnings that people will make on the basis of an additional four years in college may be less than they were when the college population was smaller.

At that point I would suspect that people will decide to go to junior colleges and the majority will call it quits as of that point.

The people who may want to go beyond will be those who need the professional training.

The junior college may become a balancing point between the demand and supply for higher education. Then our universities really will become advanced institutions for people who are going ahead for professional degrees.

Looking ahead, then, you see no serious problem of oversupply of workers?

I believe that you can always have a possibility of the economy slowing up and people being unemployed in the short run. If you take a longer view, I see no difficulties in absorbing the numbers who want to work.

What I do see is our economy being really short of people of very high capacity because every economy and society has always been short of them. Since our economy has an open frontier based on science and, in addition, the United States finds itself in an international position in which it can surely use all the brain power it can possibly employ, I don't see how we can fail to make good use of all the people who will be honestly and sensibly trained.

This is something different from just acquiring a college degree.

Many comparisons have been drawn recently between our supply of brain power and Russia's technological workers' prowess. Have you any comments on this?

In the National Manpower Council's study for professional manpower in 1953 we called attention to the evidence that Russia was stressing quality of work in its scientific research. We also considered the quantitative problem.

On that issue, I don't think direct comparisons make much sense. The first point is that it is not the United

People
buy
Scott Towels
for
many
reasons:



Mr. Ray H. Anders, Director of Purchases, Sun Oil Company, says:

**"Scott Products have great public acceptance . . .
so most Sunoco stations buy them!"**

Public acceptance of Scott products is an important factor to Sun Oil Company. Says Mr. Anders: "We don't buy on price alone. Our employees—and our customers—like Scott products. This means happy employees, and better service to the public through Sunoco service stations!" Sun Oil uses Scott products

at the main office in Philadelphia, in district offices, and in other factory-owned divisions. Mr. Anders points out that the choice of paper is a voluntary purchase by each independent Sunoco dealer. And the great majority of Sunoco stations buy Scott because they know the public is very familiar with Scott quality!



Your Scott distributor is in the Yellow Pages under "Paper Towels." Call him today. And be sure to watch "Father Knows Best" on NBC-TV.

Scott UHA Towels Scott Multifold Towels Scott Singlefold Towels ScottTissue

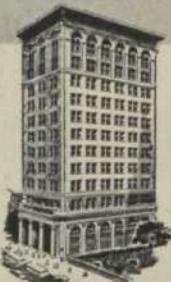


If New Jersey figures in your future

If you're planning to open a plant, branch or warehouse in New Jersey, National State Bank of Newark can help make your move a great deal easier.

To newcomers we offer an intimate knowledge of the resources and opportunities available in the Newark area, and the bank's own ample resources.

A representative will gladly call. Write our Business Development Department.



The FOUNDED 1812
NATIONAL STATE BANK
OF NEWARK

810 Broad St., Newark 1, N.J.

Member Federal Deposit Insurance Corporation

"FRESH AS
THE DAY
THEY WERE
PICKED"



Apples and other fruits, as well as fresh foods in general, retain their freshness better when stored in rooms with high relative humidity and correct control of temperature.

In most areas, the simplest and most economical way to maintain these

Apples in excellent condition after eight months' storage.

conditions is to install Prestfin cooling coils (shown below). They keep foods at maximum weight and flavor, over the longest season.

Thousands of feet of Prestfin pipe are in use in cold storages, meat packing houses, and similar places. They're also useful as heat exchangers.

Get full details now: write for Bulletin 158. Or, get in touch with your nearest Frick Branch or Distributor.

DEPENDABLE REFRIGERATION SINCE 1882
FRICK CO.
WAYNESBORO, PENNA., U.S.A.



More women will find places as executives

States versus Russia. It is the United States and its NATO allies versus Russia and its satellites. This gives us a tremendous margin because, after all, most of the trained brain power of Europe is on the western side.

Second, I don't think one can make comparative judgments about economies so different as Russia's and our own. Let me illustrate that.

How many engineers you need in the United States and in Russia depends on how many skilled workers you have. So far as I can learn, the Russians have had to train a tremendous number of engineers because they have been short at the skilled level. In the United States I think the engineering societies now agree that the answer to the so-called engineer shortage is not necessarily more engineers. Perhaps the need is to improve the quality of the engineers we are training and to increase the number of technically trained and skilled personnel who can assist them.

Another reason that I don't like comparisons of Russia with the United States is that a much smaller proportion of our labor force is engaged in agriculture.

Obviously, this is to our advantage.

What you want to know in dealing with manpower considerations is not always supply but utilization. That depends on capital, ancillary workers, quality of management and so on. We in this country should stress the constant increase in our quality and stop worrying about the Russians' quantitative figures.

What specific measures might we take to strengthen our position?

We have already discussed the importance of making opportunities available to people to develop their potential. Another thing is to utilize these people effectively after they are developed.

What has our progress been in this area?

Let's start with some of the major underutilized groups.

Take women. I think there is no question that the past 15 years have seen a substantial gain in the oppor-

tunities open to women to work. In 1955, our estimate is that they earned \$42 billion.

If you disregard the inflationary factor, that represents almost half of the national income of the country in 1929. It gives you some idea of their significance.

To the extent that they have had easier opportunities to go to work and then to work at levels commensurate with their skills, this has been a major gain.

Looking ahead, I would say that a generation from today we will find many more women in executive positions. The only place in the economy where large numbers are now in executive positions is in retail trade.

One of the good things that has come out of economic prosperity since 1940 has been the improved utilization of the Negro population. We have wide margins still to go but there have been tremendous gains when a Negro who, as a sharecropper, had to eke out a living which gave him \$700 cash income for his family, can move to the city and earn a minimum of \$40 a week—frequently \$80 or more. Opening such opportunities is a tremendous gain in the effective use of labor power. If we can do this with other minority groups, it will mean a sizable gain in our manpower.

In this matter of utilization, do you feel that we are no longer wasting significant numbers of people?

I think this is a constantly open frontier. I think, as long as people will work, significant gains will always be possible by improved supervision, improved machines, improved morale and so on.

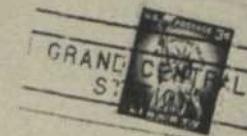
One of the more serious problems in this country is this: When jobs have been easy to get for a number of years and promotions came semi-automatically through seniority, how do you maintain a lively and intense interest in work itself? Not that the average worker doesn't do a decent day's work. The question is, how do you interest him in doing his best, not his second best?

I think we have had a big transformation since 1900 in the basic attitude toward work. In 1900 a man knew that if he was going to make a better life for himself and his children, he had to do it by the sweat that he put out. Now he knows that it's going to be a better life for himself and his children even if he just stands still, because the moving escalator will do it for him.

The economy is becoming more productive all the time, which means he will have a gain in real wages.

(continued on page 92)

Your business
investment here



earns more interest with



a crystal clear window

ask for ACETATE Windows!

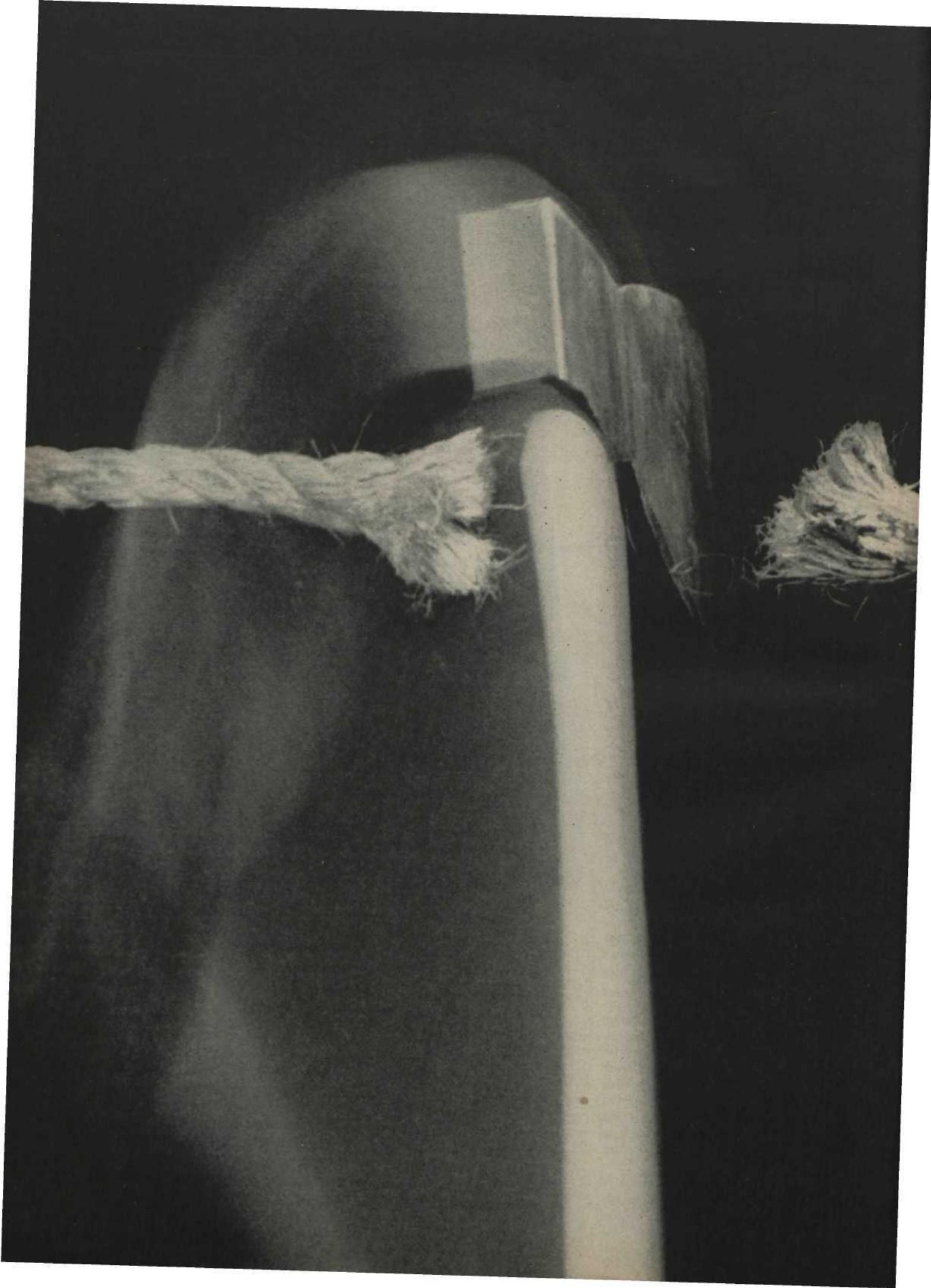
Cost is negligible, but the extra value of crystal clear acetate windows is worth dollars in goodwill. Ask your stationery supplier for the clear window—acetate windows in your next order of envelopes. Don't let murky, cloudy windows spoil the impression you make on your customers. Celanese®

Acetate...a *Celanese* transparent film

Celanese Corporation of America, Plastic Division, Dept. 143-E, 744 Broad St., Newark 2, N.J.

Canadian Affiliate: Canadian Chemical Co., Limited, Montreal, Toronto, Vancouver.

Export Sales: Amcel Co., Inc., and Pan Amcel Co., Inc., 180 Madison Avenue, N.Y. 16.





for incentive . . . against controlism

A question frequently asked us is, "Does the National Chamber work **FOR** things, or **against**?"

The answer is, "**FOR**. But in working **FOR** certain things, it is often necessary to work **AGAINST** others."

The National Chamber is a positive, vigorous, hard-hitting organization. Through its more than 3,400 affiliated organizations—local and state chambers of commerce, and trade and professional associations—the National Chamber works for:

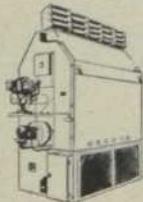
- Limited government
- Individual incentive
- Free enterprise
- Economic growth.

The National Chamber **OPPOSES** plans and proposals that would lead to greater concentration of governmental power in Washington, and to unnecessary federal controls over the lives of the people.

It works to protect and improve the private business system.

If you would like to know more about this organization, how it works, and what it does as the national representative of all business, let us hear from you.

modern heating for business and industry



Reznor direct-fired unit heaters offer the modern solution to the problems of heating commercial and industrial buildings. They cost less to install, less to operate and require practically no maintenance. With suspended, duct and free-standing types in all appropriate sizes from 25,000 to 2,000,000 BTU, the Reznor line includes equipment which is exactly right for your heating job.



REZNOR
WORLD'S LARGEST-SELLING DIRECT-FIRED
UNIT HEATERS

Reznor Mfg. Co., 23 Union St., Mercer, Pa.

I PAID \$20 FOR A NEWSPAPER AND MADE \$3,000

By a Wall Street Journal
Subscriber

The day I picked up a copy of The Wall Street Journal in a hotel lobby was a turning point in my life. I saw right away that here was a tool that would help me earn more money. So I started reading The Journal regularly.

I was not mistaken. Now I know why men of wealth and prestige read The Journal. It is part of their secret. It is one of the things that helped them get where they are. The \$20 I spent for a year's subscription to The Journal helped me add \$3,000 to my income.

This story is typical. The Journal is a wonderful aid to men making \$7,000 to \$20,000 a year. To assure speedy delivery to you anywhere in the U.S., The Journal is printed daily in five cities—New York, Washington, Chicago, Dallas and San Francisco.

The Wall Street Journal has the largest staff of writers on business and finance. It costs \$20 a year, but in order to acquaint you with The Journal, we make this offer: You can get a Trial Subscription for 3 months for \$6. Just send this ad with check for \$6. Or tell us to bill you. Address: The Wall Street Journal, 44 Broad St., New York 4, N.Y. NB-5

People who hold top responsibility continue to have intense pressures

After all, he gained almost 50 per cent in real wages (not money wages) between 1929 and 1955.

Does this suggest that we may be losing high work morale?

I wouldn't use morale terms. I think for the first time in the history of human society we are giving the average man the kind of options as to how he wants to spend his time and his energies that only rich people used to have.

In the old days, a few rich people worked hard, but most of them did little work and spent a lot of their time in things that had more meaning to them. I see in the United States that parents, especially fathers, are spending more time with their children on week ends, more time with their wives on trips. The hours of work and the hours off the job are being viewed now as a composite whole, and a whole set of new attitudes affects both sides of the coin.

There is one interesting point in this connection. If you go to any office building on the week end, or to the Pentagon, or to the universities, you find that it's the senior people who are there. Some British data suggest that the wealthier people for the first time in the world's history are dying before the poorer people.

Until recently the poorer people died first because they didn't eat as well and worked harder.

Is there evidence that perhaps people are losing respect for work?

I think people are making different selections as to what kinds of life they plan for themselves, and that relatively few people see intensified commitment to work as the center of their life.

The American working population is getting a balance in their lives in which the activities off the job are almost as important for their satisfactions and their welfare as activities on the job.

That leaves us with a smaller group of people who are still committed to work. Maybe this is an ample group—maybe not. That is a crucial question.

Looking ahead, what do you see in terms of the executive life?

Many large corporations are try-

ing to decentralize a large part of their activities to prevent too much strain from accumulating on their top people.

I have not yet seen situations in which the chief executives of highly decentralized organizations are having an easy life. Somehow or other, decentralization facilitates the further growth of the organization, which tends to push a tremendous number of problems to the top.

The American economy is more competitive than it used to be. That means that the pressure on the people who hold top responsibility will continue to be intense.

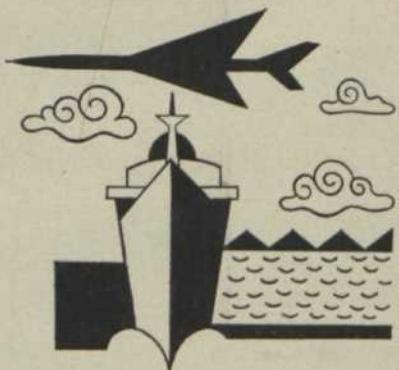
Organizational changes that could take some of this pressure off would be of tremendous value.

I think we wear our top people out too fast.

Is there any danger that we might train too many scientists?

I would say that the only real danger would be if we went into unethical recruitment for one or two major fields. It would also be wasteful, in my opinion, because it would then force all the other professional groups to engage in counter-recruitment.

I would prefer to see a situation in which the professional groups,



business, government and the universities, really try to make solid information available about the occupational trends, the employment prospects over the long run and leave it to the individual to make his free choice. I think, by and large, in the absence of the wrong kind of stimulation, too much over-training is unlikely. The American economy is not occupationally rigid. If a man happens to be trained as a chemist, it's not a disgrace for him

to become a vice president of marketing. In fact, it may even be a promotion in his view.

In Europe, a man's educational background really sets him into narrow limits. We have a great advantage, re-establishing balances even if some additional people happen to get trained in one field or another.

Will we see more specialization in the future?

I would hope that one of the lessons that we could learn from our present problem is that, although specialization is cheap in the short run, it's an expensive solution for the long run.

One of the reasons we have had trouble on the engineer front is that the engineers whom we have trained have not been able to shift easily as technology has shifted.

I would much prefer to see, at both the collegiate and the professional school level, an emphasis on the fundamentals which would permit later flexibility and have most of the specialization go on in the employment area.

It's not possible to have people trained in all branches of engineering, for example. It is important to strengthen the basic general education and then let the specialization come much later. That's what happened in medicine.

A person gets four years in general medicine in medical school, one year of internship and only then begins to specialize.

What changes in national policy in regard to manpower needs do you advocate?

I have had a deep and continuing interest in the manpower problems of the armed services.

They really face two major problems, one quantitative and the other qualitative. I think it will be hard to continue the draft when it expires in June, 1959.

Why?

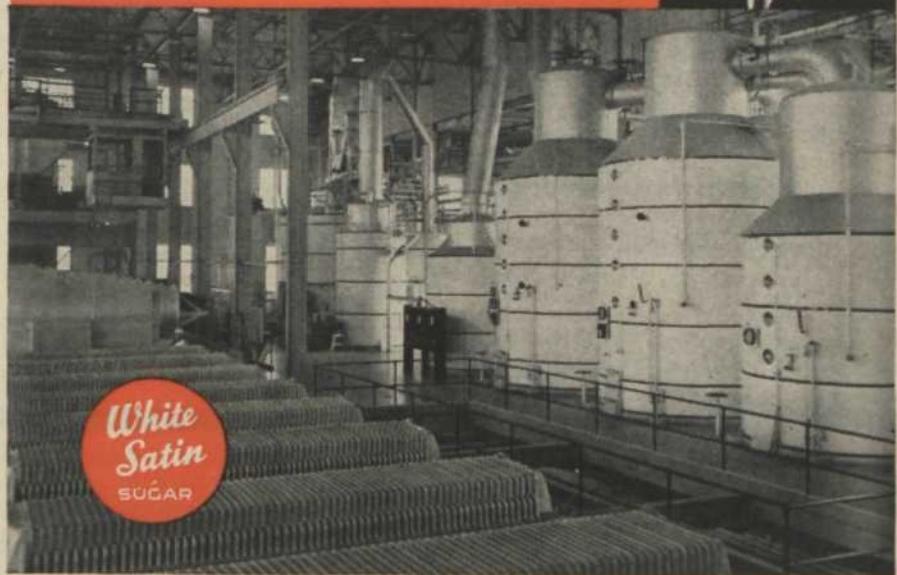
The armed services are now taking about one out of two men in the draft ages. By 1959 they will take one out of three. This will result in a serious problem in equity in a democracy in which two people are permitted to stay home and one person is forced into the armed services.

On the other hand, it may be difficult for the services to get enough men by relying solely on volunteers. The draft stimulates other people to volunteer. It is hard to know how many would volunteer without this kind of indirect pressure.

However, the present moves to increase the career attractiveness of

"It's not the cost of the paints, it's the labor involved to protect our equipment and good housekeeping. That's the reason we use Tropical Paints."

—Dick Forbess, Nyssa Plant Superintendent



"SPARKLING CLEAN" is the only standard of housekeeping they know in the plants of The Amalgamated Sugar Company. This view inside the Nyssa, Oregon, plant tells the story!

FIVE BIG PLANTS PROVE GOOD PAINTS SAVE MONEY

Serving beet sugar producers, distributors and users in the Northwest with their famous top-quality "White Satin" sugars, Amalgamated believes the same top-quality standards are essential in plant housekeeping.

Over the years in five modern processing plants they have proved top-quality Tropical paints pay off in savings. Since labor represents up to 80% of the cost of a paint job, longer-lived Tropical paints mean substantial economies.

Whether you use five gallons of paint, or thousands of gallons as in the case of Amalgamated, Tropical proves what Jared Lewis, Nyssa District Manager says: "The best is always cheapest." Call your Tropical man!



FREE Paint Record Book shows how to save on painting costs! Only Tropical publishes the Paint Record Book which provides for a complete record of what you painted, when, with what brand and the cost. Sent FREE—write for your copy today!

TROPICAL PAINT COMPANY • 1134-1268 W. 70th St., Cleveland 2, Ohio

Heavy-Duty Maintenance Paints Since 1883



SUBSIDIARY OF
PARKER RUST PROOF COMPANY

The future of any business depends on its hiring, training and supervision

the armed services through increasing pay to people with scarce skills should help on both initial enlistments and, most important, on re-enlistments.

I hope the armed services will at least give it a real turn to see whether, with improved career incentives and management of men, they might not be able to put the draft on a stand-by basis.

In what atmosphere will the executive of 1965 work? What kind of people will he have around him? What kind of man will he be?

It's a difficult question, but since I am a professor, I will speculate.

On the question of the hours of work, I would suspect that people who carry major responsibilities will be working as hard as they now do.

However, most people working at the executive level will not be at the very top. I think they will have a workweek probably somewhat more relaxed in terms of hours than it now is and longer vacations. One will find, in the groups two, three and four echelons down in the large organization, a minority that is working hard because it wants to go places and a majority that will be making its adjustment to what might be called the new norm.

This by 1965 or thereabouts?

I think the same trends that have given us two-day week ends, may eventually, not by '65, but sometime thereafter, bring a three-day week end.

I rather suspect that the workday will have an hour lopped off, maybe at the beginning and at the end.

As for the quality of the work, I think executives will need constant retraining.

I think that business will become sufficiently dynamic and the problems will be changing sufficiently rapidly, that people who really want to do things will make a continuing high investment in training, retraining, further education, learning new things.

Will this apply to all levels of work, the executive as well as the rank and file?

I think so. This country has only six per cent of the world's population.

Despite sizable increases in the birth rate, we have no tremendous

opportunities to increase the numbers of people available.

Our big gains will have to come through productivity. That means by building more skills and competence into the population.

Do you foresee a need for drastic revision of industries' practices as to retirement, hiring people older than 40?

I think the relatively strong de-

mand for labor in the '40's and in the '50's has brought considerable informal revision of the kinds of retirement practices that were established in the '30's. This has had more effect at the production level than in the executive ranks.

I would say that the problem in the executive ranks is how does one make sure that the right options are selected by the right people.

This is what I mean: Some men want to, and should be encouraged to retire maybe as early as 60. For others 65 is a perfectly good age if it fits their needs and desires. Some ought to go on at least until 68 or to 70 because chronological age is not a good indicator of their vitality and ability to contribute.

Seven steps to better bossmanship

At the New York Telephone Company—as in other organizations—considerable emphasis currently is being given to the coaching function of top executives. Keith S. McHugh, president of the telephone company, says there are seven things a boss must do to succeed as a coach, or developer, of management talent. First, he must establish and maintain a climate that encourages and stimulates the growth of his people.

He should also: Guide his subordinates—drawing on his own experience; counsel them, giving sound advice—but only when needed; encourage them and demonstrate by example the use of basic management skills and procedures; give them special assignments and arrange for cross-training when he feels it will fill a definite need; stimulate their growth by supplying proper incentives—and, finally, challenge his people by delegating a full measure of authority and forcing practice in decision making.

Coaching points up the responsibility which managers have in developing the people who work under them. Training off the job, special schools and courses—all these are useful in the total development approach. But, ultimately, progress and skill improvement of any man is the primary responsibility of the man himself—and his boss, and can't be evaded by either.

But industry, unless it has an arbitrary age, is forced to discriminate among people because the man who has really slowed up badly may want to stay until 70.

Research is going on to discover objective indices of age, but it hasn't been successful yet. Even if it is successful, it will be difficult for industry to apply a type of physical and mental test.

I think, however, that industry can help itself by trying to spread the age when a man can begin to retire, maybe down to 60, and also increase the age when he must retire, maybe up to 68 or to 70; then, long before a man gets to be 60, to apply a series of assignments and promotion policies which convey to the people involved its best judgment as to when they probably ought to get out.

I believe most people have a pretty realistic view of what they can and can't do. With a little informal guidance from management, you would have a much improved method over the arbitrary age factor.

Another point that might be helpful is the idea of a new job as a man gets up in age.

I think the government could get some good technical people if it picked men up at 55 and offered them, subject to good performance, a career of 15 years. It would help if industry had a type of retirement and pension system in which men could really move out at 55 without losing too much. This also would open up a large number of new and better jobs in industry and, I think, would help the government's manpower problem—conceivably also the universities' manpower problem—if done selectively.

What facets of the manpower problem do you feel need more research?

We know remarkably little about the processes which young people go through which make some of them really come through to the top and others fall by the wayside. This is one important area. A tremendous amount of work can be done on the causes of ineffective performance.

I would like to see much more done about the use of work as therapy. I believe we have been missing a big bet on the mentally ill as well as on our delinquents and criminal population. I lump them only in the sense, obviously, that they are marginal people under protection of society.

I feel that work is an important integrative influence for people and that they can work out many of their emotional problems by being able to be constructive.

I would like to see much more effort devoted to using work as a rehabilitative element in respect to both the mentally ill and behavior problems.

Can you give some advice to the business owner and manager on what he ought to do to get ready now for his future manpower requirements?

The first thing he ought to do is to realize that the future of his business depends on what kind of people he hires, how he trains them and uses them and so on. This is a kind of general advice and a shift in focus for many.

Second, he really ought to try to see to what extent he is utilizing not only the developed but the latent potentialities of the people in his work force.

Third, the businessman must pay more attention to the fact that the amount of interest and concern that workers have for their work depends largely on the quality of his supervision. This means really the training of supervisors and other things.

By "supervisor" here, you don't mean first-line—

No, all the way up and down. The more effectively management uses its own subordinates and itself, the greater the chance to develop the kind of attitudes toward work that give a higher utilization.

This has nothing, obviously, to do with sweating.

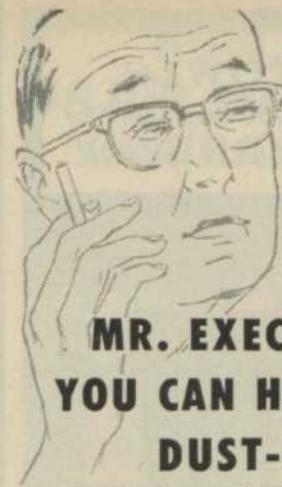
Fourth, since a large part of the net additions to the labor force will have to come from women, minority groups and older people, every businessman had better think through his own prejudices and become aware of them. The big trick with prejudices is to realize you have them. When you realize that, it is a little easier to work against them.

The businessman must ask himself why he doesn't want to do certain things at present and whether there is a good realistic reason why not. The next question is can he get around the objection and is it worth his while to get around it.

In all of these respects, we really come back to the same basic challenges to the businessman and that is, how does he think about human resources more intelligently. Then how does he act more constructively with respect to them.

In addition to more knowledge and better technical devices, there are elementary considerations of decency and courage and responsibility and a sense of equity—that is, the moral issues—which are finally going to determine the effectiveness of the work force.

END



MR. EXECUTIVE YOU CAN HAVE DUST-FREE

• OFFICES • WAREHOUSES
• FACTORIES • STORES

by using

Velva-Sheen

with...

- Majestic Sweeping Mops
- and Velva-Sheen Dust Cloths

Just once over lightly, with Velva-Sheen treated sweeping mops, cleans, polishes, leaves thin, protective coating on floors... all types. Velva-Sheen treated sweeping mops pick up dirt and dust, shake out clean, without creating dust clouds! Velva-Sheen Dust Cloths give same results on furniture, woodwork. Velva-Sheen is not oily, not volatile.

CUTS FLOOR MAINTENANCE COSTS 50%

*Velva-Sheen is the original dust-control treatment, proved for 32 years. Safe—carries U. L. seal. For free demonstration write...

MAJESTIC WAX CO. • DENVER, COLORADO

LOCATION FOR LIGHT INDUSTRY AND RESEARCH

IN THE

NATION'S CAPITAL

Washington-Rockville Industrial Center

Recent zoning of a large tract offers opportunity to locate light industry, including research facilities, in the highly desirable Bethesda area of the nation's capital. Near Atomic Energy Commission, National Institutes of Health, Naval Medical Center, Johns Hopkins Research Center, new Bureau of Standards office. Tracts of 20,000 square feet up to 20 or more acres at attractive prices. On major highways with railroad siding available. Will sell, lease, or build and finance.

FREDERICK W. Berens SALES INC.

REALTORS

1722 L STREET N.W. • NA 8-5000
WASHINGTON, D.C.

Or Your Own Broker

TURN-TOWLS

serve 2,000 employees for
only \$2,056.00 per year!



A St. Louis, Mo., firm reports these figures based on last year's use of Mosinee Turn-Towls.

Check your own cost of towel service—and see how the efficiency of this top quality towel and cabinet combination can pay off for you.

BAY WEST PAPER COMPANY

1102 W. Mason Street, Green Bay, Wis.
Subsidiary of Mosinee Paper Mills Co.

Investing for future income?

Incorporated Investors

ESTABLISHED 1925

A mutual fund invested in a list of securities selected for possible GROWTH OF CAPITAL and INCOME in the years ahead.

Investing for current income?

Incorporated Income Fund

A mutual fund whose first objective is to return as LARGE CURRENT INCOME as may be obtained without undue risk of principal.

THE PARKER CORPORATION NBS
200 Berkeley Street, Boston 16, Mass.

Please send a Prospectus on

- Incorporated Investors
- Incorporated Income Fund

Name.....

Address.....

City.....

Executive Trends

Charges executives with slowdowns

Stanley Seashore, assistant to the director of the University of Michigan's Institute for Social Research, says managers—as well as rank and file workers—often fear and obstruct the performance of hard-working, high-producing colleagues and subordinates.

Based on study in this field, Mr. Seashore says it can be concluded that managers and supervisors in some cases set up social restraints for a high-producing colleague, even though they may generally admire his ability.

"This is especially true," he states, "if the working group feels low producers will be penalized either directly or by comparison with the top performers. The high producer himself may not feel comfortable about these comparisons and hold himself down."

► *Mr. Seashore says that whether a particular organization chooses to encourage everyone to perform to the best of his ability or prefers to seek greater uniformity in work is largely a matter of judgment. The correct choice will depend largely on the company's goals and structure.*

Here's a business the recession has helped

The downturn in general business activity has not hurt the nation's executive recruiting firms—at least not one of the biggest ones—Hoff, Canny, Bowen & Associates, Inc., of New York. There, billings are running at an all-time high.

"It's apparently a case of calling the dentist when your tooth hurts," explains HCB&A's Edwin T. Ashman. "When things are not so good companies search even harder for top quality men."

Mr. Ashman says client companies served by his organization are looking for good men in just about all lines. The demand for engineers is not quite as panicky as a year or so ago—probably because of last fall's defense cutbacks—but even in this area top-flight men are still being sought.

► *Who is most restive in a time of slump? Mr. Ashman says executives with marginal companies seem more inclined now to seek positions with more stable companies. Bright note: Executive recruiters say they notice businessmen seem more bullish now than a few weeks ago. They read this as an indication that the recession is ending.*

Do groups work best under strong leaders?

This question has been studied by Dr. Eugene Emerson Jennings, associate professor of management at Michigan State University. He says the relative merits of the democratic or group-centered approach and the authoritarian or leader-centered approach are still

far from clear. Recent studies, says Dr. Jennings, suggest that there is no essential correlation between high morale, which traditionally has been identified with democratic work situations, and high productivity. Apparently there are other factors that affect productivity, he says. These include the diverse personalities in the group and whether the group members are seeking to use each other to attain goals.

► *Dr. Jennings says that while there is some evidence that the democratic approach is more effective with authoritarian personality types than the authoritarian approach is with democratic personality types, the difference is not such as to favor democratic over authoritarian approaches for the purpose of problem solving.*

Manage by objectives, not authority

That's the recommendation of Ben D. Mills, vice president of the Ford Motor Company.

The strongest motivating force that exists in the human being, says Mr. Mills, is the pride of achievement. All aspects of management philosophy, he declares, must be aimed at tapping this powerful force. The first element of such a philosophy should be management by objectives, not authority.

He urges that industry make an effort to build in each worker a clear understanding of the organization's objectives as a way of fostering a personal identification with those objectives as the basis for the individual to take personal pride in what he is doing.

► *To hold such a philosophy of management together, Mr. Mills says, an executive must be guided constantly by an effort to be truly objective and to maintain consistency. The only other alternative, he says, is continuation of the present tendency of most people to work out of a kind of fear of the person who supervises their efforts.*

What executives are reading—and why

The American Management Association reports that in recent months it has received more orders for books on cost reduction than for books on any other subject.

Other books in heavy demand by executives at present include works on human relations, new product development, management development, and communication.

Orders for executive reading material are a fairly sensitive barometer of management concern at any given time in the cycle of business, AMA believes.

► *Registrations at management seminars also show with some accuracy what top managers are most concerned about. Cost cutting is the most popular seminar subject now, followed by meetings on improving the efficiency of clerical workers, preparing for collective bargaining, supervisory development, and quality control. More quiescent are such subjects as operations research, general management, and sessions on mergers.*

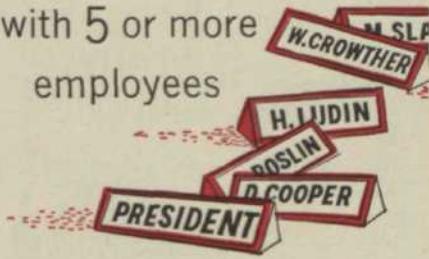
Management memos:

Do some organizations of necessity require arbitrary, martinet-like managers to run them? Prominent business scholar is making study based on this question, suspects answer will be "yes." . . .

Industrial Relations Center of University of Chicago polled 3,000 salesmen in 18 companies on their attitudes toward company policies. Key findings: about 70 per cent had positive, favorable feelings toward employer. Biggest complaint was lack of help from supervisors.

NOW... MAJOR MEDICAL INSURANCE is included in NEW YORK LIFE'S EMPLOYEE PROTECTION PLAN

Designed for firms
with 5 or more
employees



MEDICAL CARE BENEFITS in New York Life's Employee Protection Plan can now, in most states, include *Major Medical Insurance* to help provide financial aid when very serious illness or injury strikes. Supplements basic benefits that help meet hospital, medical and surgical expenses due to non-occupational accidents or sickness. Several benefit schedules available for insured employer, employees and their dependents.

Plan also provides employer and employees with these modern benefits . . .

LIFE INSURANCE payable at death to beneficiary. Accidental death benefit optional.

WEEKLY INDEMNITY BENEFIT payable for total disability due to non-occupational accident or sickness. Different amounts and benefit periods available.

NEW YORK LIFE can design an Employee Protection Plan based on all or a combination of these benefits to fit your company's needs. Ask your New York Life agent for facts now or write to address below.

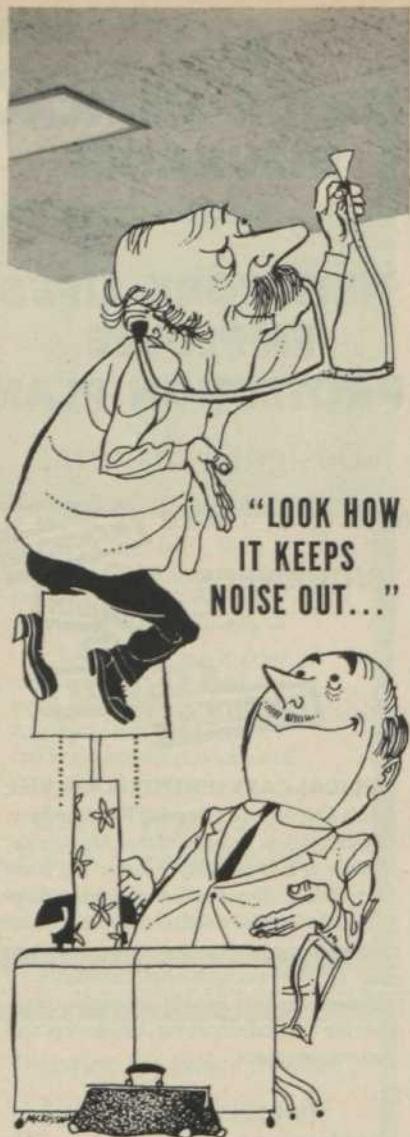
Individual policies or a group contract may be available, depending upon number of employees and applicable state law.

NEW YORK LIFE INSURANCE COMPANY

51 Madison Avenue, New York 10, N. Y.
(In Canada: 320 Bay Street, Toronto, Ontario)

A Mutual Company  Founded in 1845

The New York Life Agent in
Your Community is a Good Man to Know



"Now you see why I insisted on an ACOUSTONE* ceiling!"

You can keep noise in an adjoining area from becoming a problem in your own office with a ceiling system of ACOUSTONE, the original fissured mineral acoustical tile. But isolation of sound is only one of seven important performance factors of a really modern ceiling. For the right ceiling construction for your requirements, insist on a ceiling by U.S.G.

THE CEILING—VITAL ELEMENT IN ANY ROOM—RATES THE ATTENTION OF TOP MANAGEMENT

When you remodel or build, be sure the ceiling—most important surface in the room—is capable of top performance. Contact your ACOUSTONE Tile Contractor; or write Dept. NB-83, 300 W. Adams St., Chicago 6, Ill.

*T. M. Reg. U. S. Pat. Off. for Mineral Acoustical Tile.



UNITED
STATES
GYPSUM

Pioneering in ideas for industry

Future demands for housing will be strong from young and old families

is removed by about 1970, we would still have 4.5 million substandard units unless we reduce the rate at which we are adding substandard units. It would take 30 years to eliminate substandard housing at the 1950-56 rate.

But the Census reports that most of the added substandard units are in rural areas and do not represent an urban problem. The rural situation is better than it appears at first glance, because the Census uses the same criteria for rural dwellings that it uses for downtown apartment houses.

Rural housing should meet minimum standards, too, but lack of indoor plumbing in a rural home is a less urgent problem than a similar lack in an urban unit.

Of the approximately 13 million substandard units reported in 1956 apparently a little more than 10 million were occupied, of which less than half were in urban areas.

This is unquestionably too many but still we have been making inroads into the stock of bad housing. Housing standards have risen, as a whole because of past activity.

Future needs

The fact that we have actually been doing better than we thought we were means the problem for the future is much smaller than it has seemed to be. It is also of a somewhat different type.

One reason why many have been expecting a sharply rising demand for housing about 1960 has been because a big rise in marriages is expected then. The birth rate went up after 1933. It rose again sharply in 1941 and rose even more thereafter. As these children reach marriageable age, the demand for housing will increase.

This view overlooks two important factors:

First: The longer span of life postpones death but does not eliminate it, and last year deaths exceeded marriages. In January, 1957, they were 63 per cent higher than marriages. Each death that breaks up a household releases housing for other occupants.

Second: Other sources of household formation are dropping in number. Joint occupancies, forced by postwar housing shortages, are fewer; fewer single individuals or groups

are in the housing market—the younger ones perhaps marrying, the older dying.

From 1950 to 1955 the increase in primary husband and wife families accounted for less than 53 per cent of the total growth in the number of households. The increase in other types of households came to nearly 400,000 per year. But from 1957 to 1960 these other households are expected to increase by only 240,000 a year—about 150,000 below the 1950-55 average annual volume.

The combined effects of more deaths, and fewer "other" households, suggests a drop in the total rate of household formation of about 50,000 a year from the 1955-57 volume for 1957-60, and a further small drop from 1960 to 1965.

The housing pressures which the future will bring will, therefore, be somewhat less than we have anticipated. They will also be of a somewhat different nature.

The strong sources of future housing demand will be three:

- Young households.
- Older families.
- The minorities.

Each of these will require some departures from our traditional housing practices.

Young households: Households with individuals under 25 have been increasing by about 100,000 a year. From 1960 to 1965, they may grow by nearly 220,000 a year, or twice the recent rate. From 1965 to 1970 they may grow by about 350,000 a year, or three and a half times the current rate.

Houses which were satisfactory for older, larger families will not fit the requirements of the new, young families. So, the new pattern of household growth, the mix of the new demand, will require a large increase in the production of shelter for this particular market.

Older families: Households headed by individuals of 55 or more have been growing by more than 375,000 a year. From 1960 to 1965, the growth may be expected to be about 400,000 a year. The number aged 65 or more has been growing by more than 200,000 a year. From 1960 to 1965, the number in this group will continue to grow by about 200,000. The housing market for older fam-

lies, too, therefore, may be expected to remain strong.

The demand patterns of young and old families are not dissimilar. They suggest, among other things, an increased emphasis on apartments and mobile homes.

The Department of Labor and the F. W. Dodge Corporation have both been reporting increased interest in multifamily construction. Multifamily construction was important immediately after the war, but it dropped in significance after 1950. By 1952 only about seven per cent of the units reported by BLS (including mobile housing units not reported) were apartment units. The percentage dropped to 6.6 per cent by 1955 but rose again in 1956 and in 1957 reached 10 per cent. Part of this increase, particularly from 1956 to 1957, was due to difficulty of financing single-family building. But, even aside from this financial factor, the market was turning toward multifamily units.

The rise in the sale of permanent so-called mobile homes has been even more significant. Such homes represented only about three per cent of the total reported by BLS in 1950; it had risen to more than six per cent by 1955, and to about 10.5 per cent by 1957. Mobile homes, plus apartments, thus accounted for more than 20 per cent of new homes in 1957.

The growth in the mobile homes component could be a forerunner of a significant development in housing. It is difficult for builders in many parts of the country to provide good two-bedroom houses for less than \$13,000 and the buyer may have to sign a mortgage for 20 years or so. Twenty years is a long time to young families. In addition, the wife usually wants to work at least until the first baby is born. But single-family housing requires time for housekeeping. So, the newly married couples find themselves interested in apartments or mobile housing. The fact that the mobile house comes completely equipped, is easy to clean and maintain and yet provides some attributes of single-family housing, is encouraging a higher percentage of young families to shift to mobile housing.

The housing requirements of older families are unique. Their children have left home, their needs for space are reduced. Like the younger families, their interest in housekeeping may not be great. There may be less reason and less incentive for staying tied down to one location. So, apartment house or mobile home living may prove more and more attractive. Studies of mobile house sales suggest increasing interest in this type of

Dodge Reports mean new construction business



INTRODUCING “THE BEST BOSS A MAN COULD HAVE”

He earned that loyalty because his salesmen know he is ready and willing

to give them the help they need. He is looking out for them as well as for the profits he must produce.

Dodge Reports is the kind of help productive salesmen in the field of new construction want and appreciate. Dodge Reports help them spend their time and skill on active prospects, not chasing rumors and searching for opportunities, but working where buying decisions are being made.

Dodge Reports cover all new construction activity — reporting what is going to be built, who is designing and going to build it, when and where. The Reports can be purchased for all the 37 Eastern States or any local area in which you may operate. You can arrange to have them delivered to each of your salesmen, each day, for just his territory — no waste — no time lost — no clerical expense for you.

Dodge Reports today give over 48,000 alert sales managers and salesmen an important competitive advantage — using Dodge Reports to locate business gives them more time for actual selling.

Let us show you how you can have this advantage. Send for the booklet, "Dodge Reports — How to use them effectively", including the famous "Dodge Specification Form" which has helped others select just the service that fits their needs.

F. W. Dodge Corporation, Construction News Division
Dept. X058, 119 West 40th St., New York 18, N. Y.

Send me the book "Dodge Reports—How To Use Them Effectively" and let me see some typical Dodge Reports for my area. I am interested in the markets checked below.

- House Construction General Building
 Engineering Projects (Heavy Construction)

Area _____

Name _____

Company _____

City _____ Zone _____ State _____



Dodge Reports

For Timed Selling
to the Construction Industry

**Easier than
you realize!**

*air-conditioning
your home
with an all NEW
year 'round*



JANITROL[®] WIN-SUM-MATIC

That's because Win-Sum-Matic combines powerful waterless cooling (no plumbing or water expense!) and thrifty gas heating . . . is easily linked to your present duct system . . . fits in little as $3\frac{3}{5}$ sq. ft. And to top it off,



JANITROL HEATING AND AIR CONDITIONING DIVISION

SURFACE COMBUSTION CORPORATION
COLUMBUS 16, OHIO

In Canada: Moffats, Ltd., Toronto 15

**ARE YOUR PAPERS
PLAYING...**



HIDE AND SEEK?

Filing is important only if the finding is easy. Can you *always* put your hand on the letter, invoice, order, report or other paper you want, *instantly*? Are your files neat, compact, space saving? Your Stationer will be glad to explain the advantages of ACCO-filing to keep your records safe, and finding quick. See him now!

**"ACCO BOUND PAPERS
ARE SAFE PAPERS"**

ACCO PRODUCTS

Division of NATSER Corporation
Ogdensburg • New York

In Canada: Acco Canadian Co., Ltd., Toronto

FABULOUS, NEW **5 FOOT LONG BALLOONS**

Twist Into A Thousand Shapes!

GIRAFFES-DACHSHUNDS — Pets of All Kinds

Made of
Live Latex
200 \$1
FOR

Add 25c
Postage
and
Handling

Delight Kiddies — Grown-Ups, Too!

Fantastically flexible Live Latex! Like no other balloons you've ever seen! Twist 'em, bend 'em — they won't break! Cut them in half or any size — twist, and they reseal! The kiddies will have a whale of a time making them into Davy Crockett hats, pretzels, giraffes, lions, fish — a whole zoot! You'll want them for unusual party or recreation room decorations! Liven up a party with a contest for making the funniest shape of all! Complete instructions.

Almost 5 feet long when inflated. Balloons this size usually sell up to 25c each!

Send only \$1 now. Plus 25c postage and handling for 200 in a variety of gay colors! Supply limited at this low price, so order several sets NOW for GUARANTEED PROMPT DELIVERY. MONEY BACK GUARANTEE.

MURRAY HILL HOUSE
Dept. B-24, P.O. Box 251, Bethpage, L.I. N.Y.

Need CHICAGO Contacts?

What do you want to do in Chicago—buy, sell, trade, invest, investigate? Our unique organization of specialists can act for you in Chicago or take you into the remote, hard-to-reach corners of Chicago's mail-order, department store, banking, investing or manufacturing community. You'll get to the EXACT PERSON in the EXACT BUSINESS you specify—quickly and at low cost. Find out whether we can help you (as we have so many others) in Chicago. Your letterhead brings complete, confidential details without obligation.

CONTACTS UNLIMITED, Suite 1004

8 S. Dearborn St. Chicago 3, Ill.

Phone: CEntral 6-3280

HOUSING NEEDS

continued

The home market will probably run 1.8 million a year

home after age 55. It is conceivable, too, that interest in row housing which, in some respects, can resemble multifamily housing, also may increase.

Minorities: This group will provide a major housing market for the next decade or so. Although our housing standards have been rising for the country as a whole, minorities have not shared in the opportunity to buy or rent homes of a quality that their income could often support.

This is a social as well as an economic problem. Incomes of minorities are rising along with those of other parts of the population but areas available to them for housing purposes have been restricted. Minorities have been moving to cities at a faster rate than has the rest of the population.

As they are being crowded into limited areas, it becomes increasingly difficult to maintain the quality of the housing in these areas.

The pressure of the growing minority populations forces them to spill into surrounding areas. This tends to discourage the improvement or even the maintenance of property standards in these areas. Housing conditions, therefore, tend to deteriorate over a wider and wider area from the center of the areas dominated by minority groups. As it is made possible for minorities to get good housing, the area which they occupy will expand and the standards of their housing will improve. This will relieve pressure on housing in the centers of cities and make it possible to improve standards there, too.

The economic implications of the housing demands of minorities are in themselves significant. The market is large. It offers an opportunity not only to raise housing standards but also to support a high volume of construction.

How many houses

What does this mean in terms of housing volume?

These three markets, the younger, the older and the minorities, will continue to provide a big housing market. The growth in the groups

expanding in size is now running at about 925,000. The growth will continue to be as large from 1960 to 1965. It will exceed 1.1 million from 1965 to 1970.

The urban housing needs represented by the nearly 4.5 million families living in substandard housing, heavily weighted by minorities, will have to be met. If these substandard units are replaced in 15 years, the replacement volume will average 300,000 a year. If 300,000 existing units continue to depreciate each year that means an annual replacement market of 600,000. Adding this to the household growth market of about 900,000, brings the market up to more than 1.5 million units a year.

In addition, about 175,000 good units a year were demolished or otherwise removed from the market from 1950 to 1956 as a result of the expansion of commercial districts, highway improvements, etc. This type of operation will expand with the new highway program, and with accelerated urban renewal programs. That brings the market up to about 1.8 million standard units a year for nonfarm housing. That is about equivalent to the rate of net addition to standard units which the Census reports for the 1950-56 period. It does not represent an increase of a third in home building volume as some in the field have felt was needed, nor does it suggest any decline from the average rate of the recent past.

Some time after 1965 the rate should increase sharply. As household formation rises, and as better solutions are found to minority housing problems, the net volume of additions to the housing supply will rise.

As the stock of old houses suitable for remodeling into several smaller units is used up, the proportion of the total additions which will be provided by new construction will probably rise.

This would suggest a total market of about two million additional units a year, or not far from 1.2 to 1.3 million units (in past BLS terms). Some time after 1965 the rate should equal or exceed 1.5 million a year. The total net additions to the supply of good housing may then exceed two million units a year.

Impact on cities

What will this mean for cities? Will it mean continued large demands for space?

Will it threaten our supply of good farm land?

The Census reports that urban areas grew at an average rate of



SIX REASONS WHY THIS NEW T.I.M.E. TERMINAL IS AN ARMCO BUILDING

1. Low cost per square foot
2. Minimum delay in erection
3. Maximum obstruction-free space
4. Weathertight construction
5. Noncombustible building materials
6. High-quality construction



The new T.I.M.E. Incorporated truck terminal at Memphis, Tennessee, is a model of efficiency. Post-free interior, transparent skylight panels and many built-in features such as truck-level docks, underfloor dragline conveyor, 6000-lb. capacity overhead track and flush platform dock scales make this 80 x 120 Armco Building the last word in rapid and economical cargo handling.

The new T.I.M.E. terminal is an excellent example of how

each Armco Building is *built around a business*. Pre-engineered Armco Buildings can be assembled in an almost unlimited combination of sizes, shapes and arrangements—with floor space from 28 to more than 100,000 sq. ft.

Regardless of how unusual your building needs might be, there's an Armco Building for the job. So, before you build, be sure to get the full story on Armco Steel Buildings. Just send the coupon.

ARMCO STEEL BUILDINGS

Armco Drainage & Metal Products, Inc.

238 Curtis Street, Middletown, Ohio

Send me information on Armco Steel Buildings for: _____

Approximate size _____

Name _____

Firm _____

Street _____

City _____ Zone _____ State _____



Can a metal building be a better place to work?



Offices, factories, retail outlets, warehouses—simply or beautifully architect-styled—build it any way with the Butler Building System. Get good buildings for less.

Yes, if it's a Butler pre-engineered building

Fresh air, proper light and temperature control are three vital keys to good employee morale. Lack of any one creates irritability, nervous strain and absenteeism. And the design and construction of the building is often the cause.

These three keys to healthful working conditions are a bonus you'll find built into Butler pre-engineered metal buildings. Low-cost plastic Lite*Panels in the roof flood the interior with natural, non-glare light, eliminating eye-fatiguing contrasts overhead. The gable roof makes a naturally self-ventilating building . . . no trapped foul-air strata . . . no dead air pockets. And the Butler method of vapor-sealed wall insulation reduces temperature contrasts from wall to room—contrasts that produce damp, chilly floor drafts. These are only a few of the advantages you get in a Butler—the lowest cost way to build well. Call your nearest Butler Builder for all the facts. He's listed in the Yellow Pages under "Buildings" or "Steel Buildings." Or write direct.



BUTLER MANUFACTURING COMPANY

7456 East 13th Street, Kansas City 26, Missouri

Manufacturers of Buildings • Oil Equipment
Farm Equipment • Dry Cleaners Equipment
Outdoor Advertising Equipment
Custom Fabrication

Sales offices in Los Angeles and Richmond, Calif.
Houston, Tex. • Birmingham, Ala. • Atlanta, Ga.
Minneapolis, Minn. • Chicago, Ill. • Detroit, Mich.
Cleveland, Ohio • New York City & Syracuse, N.Y.
Washington, D.C. • Burlington, Ontario, Canada

HOUSING NEEDS *continued*

Adequate planning will help cities handle problems that come with growth

about 450,000 households a year from 1920 through 1929. The growth dropped to about 320,000 a year between 1930 and 1939, rose to 800,000 from 1950 through 1957, and may be running at about 525,000 a year now. The growth of households in areas which the Census describes as rural nonfarm grew at about 120,000 a year from 1920 through 1940, 150,000 from 1940 to 1950 and about 500,000 a year from 1950 to 1957, or at the same rate as the cities.

There are two reasons for believing that the suburbs may not continue to grow faster than the cities.

First: Rural nonfarm density next to cities is growing to the point where increasing areas are either being incorporated or annexed.

Second: The decreasing number of middle-aged families may mean less pressure for rural living. The older families and the newly married couples may want a different and somewhat less strenuous home life than middle-aged couples. Apartment house and trailer living may be better adapted to urban and suburban life than to rural nonfarm life.

Rural nonfarm families accounted for about 24.6 per cent of the households in 1957. It may be that for the next 20 years or so this proportion will change very little. If cities increase their rate of annexation, some families which might previously have been suburban may end up as technically urban.

On this assumption it can be calculated that cities may grow by approximately 7.5 million households between 1957 and 1970. This would suggest a growth of about 525,000 a year in the number of urban households between 1957 and 1960; 575,000 a year to 1965; and about 650,000 a year between 1965 and 1970. That is quite a bit less than the urban growth of 800,000 a year which occurred during the '40's.

If new urban population is housed with a density of about 600 households per square mile, about 900 square miles, or 600,000 acres would be used for urban housing purposes each year between now and 1965 and roughly 1,100 square miles, or 700,000 acres, per year from 1965 to 1975. This would use each year possibly 600 square miles of land for roads and streets.

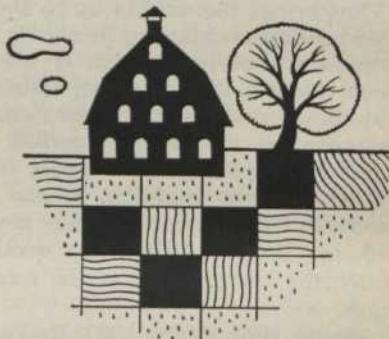
Will such expansion result in one vast city stretching from Portland to Norfolk on the east coast and run-

ning up the valleys for scores of miles inland? Will other vast cities stretch out from Pittsburgh and Buffalo to Cleveland, Detroit and Chicago, or along the main rivers and arteries of transportation throughout much of the Middle West?

This seems unlikely.

Indications are that the growth in the rural nonfarm dwellings—which take more land than urban dwellings—may drop to roughly 350,000 a year from 1960 to 1965, while the growth in urban areas may increase by only about 575,000 per year during these years.

Still another factor may reduce the demand for urban housing sites. The movement of farm population, which from 1950 to 1957 added more



than 150,000 a year to the number of urban and rural nonfarm families, may decline to about 60,000 or 65,000 a year between 1960 and 1975.

Many city planners have expressed fear that the growth in urban areas would be made at the expense of needed agricultural land. The Department of Agriculture estimates that we now have something like 45 million acres that should be retired because they are surplus. They estimate also that we are adding the equivalent of five million acres a year by improved farm technology. They expect this improvement in technology to continue. The growth in the population will use, on an average, about one million acres per year.

Facilities for industrial and commercial purposes, and for truck and auto traffic, will probably take not more than one million acres.

This leaves a net equivalent growth of at least 3 million farm acres a year resulting from improved farm technology. Growth of cities and of other nonfarm land use may not be expected to equal the in-

creased capacity of the farm land, within the foreseeable future, so offers no threat to our food supplies.

If the net loss of a million acres a year from farm production is no threat to the farm economy, does the addition of one million acres a year to residential land mean that urban areas will be growing so fast and to such sizes that cities will be unmanageable?

The rate of growth of cities will probably be not more than two per cent, and of rural nonfarm built-up areas not more than three per cent per year. The growth of the total nonfarm built-up area will probably be less than three per cent a year during the next 15 years or so. These figures in themselves are not startling. But when they are related to the fact that our cities are already so big and so sprawling as to be almost unmanageable, the problem appears much more serious than the statistics themselves would indicate.

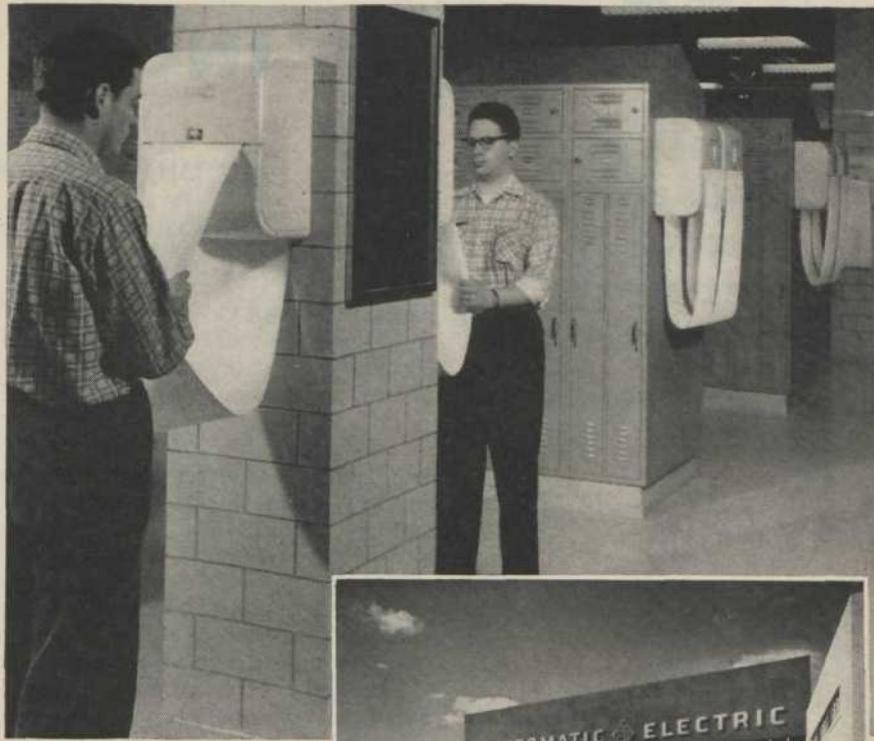
However, the problem does not appear unmanageable for the basic reason that it is being recognized. Metropolitan New York set up a Port Authority many years ago which has moved imaginatively into the problems of providing tunnels, airports, terminals, etc. New York has set up other authorities, such as the Tri-Borough Bridge Authority, to improve traffic facilities. Other metropolitan communities, such as Philadelphia and Miami, are developing methods for handling common problems, such as sewers and water. Other communities are learning to handle school or library problems, etc., as a unit.

Some of the problems will call for new, perhaps ingenious, solutions. The trend toward mobile homes will bring a need for areas where sewer, water, police and other urban services can be provided for the mobile home dwellers. But the price, and, therefore, the assessed value of the mobile home may be much less than that of comparable single-family housing. The conventional tax procedures may prove ineffective. The changing population mix also may alter traditional needs for schools or recreation areas.

The urban areas of the United States are awakening to such problems slowly and late but they are awakening. It is probably reasonable to conclude that the urban growth of the next decade will be handled better than was the urban growth of the '40's or the '50's. It will be so handled because it must be handled, and because people are already beginning to work hard at it. It will be handled because it is one of the major challenges of the next decade.

—ROBINSON NEWCOMB

COTTON* makes good connection with Automatic Electric



*Fairfax Towels used by Automatic Electric Company are supplied by Chicago Towel Company.



- From its beginning as the originator of the dial telephone in 1892, Automatic Electric Company has come a long way. As the leading manufacturing unit of General Telephone, its vast new facilities at Northlake, Illinois, provide 35 acres of floor space under one roof, designed for efficient straight line production of telephone equipment and relays, switches and other components used in automation and electrical control. And because a "house" of this size demands extremely efficient housekeeping, too, Automatic Electric provides its 8,000 employees continuous cotton toweling, in plant and office washrooms.

The companies using cotton towels or toweling have found that they improve employee relations and speed up washroom traffic. And, of course, reduced maintenance costs are also important.

Why not see what cotton can do in your plant or building? For free booklet on cotton towel service, write Fairfax, Dept. P-5, 65 Worth Street, New York 13, N. Y.

Here's How Linen Supply Works...

You buy nothing! Your linen supply dealer furnishes everything at low service cost—cabinets, pickup and delivery, automatic supply of freshly laundered towels and uniforms. Quantities can be increased or decreased on short notice. Just look up LINEN SUPPLY or TOWEL SUPPLY in your classified telephone book.



Clean Cotton Towels . . .

Sure Sign of Good Management

Fairfax® Towels



WELLINGTON SEARS COMPANY, 65 WORTH STREET, NEW YORK 13, N. Y.



**FINANCIAL
CONSULTANTS
BUSINESS BROKERS
ACCOUNTANTS
ATTORNEYS
BANKERS:**

**\$20,000 to \$5,000,000
AVAILABLE FUNDS FOR**

- Instalment Financing
- Accounts Receivable Financing & Factoring
- Rediscounting
- Inventory Loans
- Machinery & Equipment Loans
- Acquisitions; Mergers

Liberal Commissions to
New Business Solicitors

**STANDARD FINANCIAL
CORPORATION**
530 Fifth Avenue • New York, N.Y.

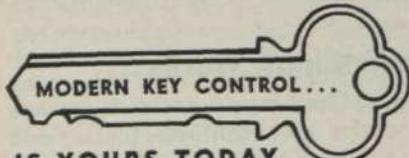
Subsidiary Companies:

FACTORS CORPORATION OF AMERICA
1315 Walnut Street
Philadelphia, Pa.

STANDARD FACTORS CORPORATION
403 West Eighth Street
Los Angeles 14, California

TEXAS FACTORS, Inc.
Fidelity Union Life Building
Dallas, Texas

Resources \$40 Million



WITH TELKEE SYSTEMS

Control keys without fuss or bother, and have complete key security. Save on replacement costs for locks because better duplicate keys can be cut. Telkee Systems, capacities from 21 to 2240 keys, belong in up-to-date offices, plants, institutions and commercial establishments. Prove it to yourself. Write today for free booklet: "The Key To The Whole Thing."

Address Dept. I-58



The MOORE KEY CONTROL® System

P. O. MOORE, INC.

A SUBSIDIARY OF SUNROC CORPORATION, GLEN RIDDLE, PA.

NEW SURVEY RATES INCENTIVES

Employers reveal what, next to money, motivates their workers

MANAGERS HAVE firm opinions of the value of nonfinancial incentives in improving employee attitudes. They are less sure of the value of such incentives in improving quality and quantity.

This is one of the findings of a survey just completed by the Society for the Advancement of Management. The survey was a preliminary study to lay the groundwork for more intensive research in this area of employee relations. In this first inquiry, the Society asked 99 companies to list which of 40 non-financial employee incentives worked best for them. (Pension plans, insurance and other fringe benefits requiring company outlays were intentionally omitted.) The responding companies represented such diverse fields as food wholesaling, paper distribution, publishing, public utilities, financial institutions, department stores, steamship and hotel operations, auto repair, construction, engineering, and various types of manufacturing. The manufacturers comprised three quarters of the respondents.

The replies, according to Eugene J. Benge, management consultant of Asheville, N. C., chairman of the SAM committee, show the need for considerable further research in this complicated field.

The 40 nonfinancial incentives which the companies were asked to evaluate fell in five basic categories:

- Personal recognition, which included such company practices as mention or picture in employee paper, job title, public praise, long-service clubs.
- Competition, including the assignment to a competing team, publicity as to team standing, public honors to winning team.
- Participation, including informal department group discussions, as well as formal participation in work simplification, job evaluation, employee group activities.
- Management practices, among them merit rating review, telling employees about company finances

or expansion plans, showing employees the organization chart.

► Negative incentives, among them threat of demotion or discharge, threat of loss of seniority rights, doing bad work over without pay.

In evaluating the effectiveness of these categories in providing motivational benefits, the companies listed them as they are listed here. High regard was expressed for such recognition benefits as "mention or picture in employee paper," "public praise," "long-service clubs," "time off for schooling," "part payment of tuition," all in the personal recognition group.

But the popular individual "merit review" placed well down the list, a result which, says Mr. Benge, "will prove a distinct shock to personnel managers who advocate this practice."

Also surprising, he says, is the fact that "participation in work simplification," "job evaluation," "working conditions," and "grievance practices" placed well down the list, a finding which contradicts the experience of many who have used these management practices.

"Participation in work simplification," highly regarded in most management literature, for instance, received an effectiveness score of 53 out of a possible 100 while "department group discussions," in the participation category scored 73.

Even more confusing, in Mr. Benge's opinion, may be the fact that, although the participants agreed that incentives in the recognition category are most effective in improving employee attitudes, when the goal is increased quality or quantity of production, preference leans toward the "negative" incentives. "Threat of demotion or dismissal" is highly regarded as a spur to better quality work.

"This first phase," says Mr. Benge, "has value because it summarizes the opinions of informed persons and indicates certain specific areas where factual study is both feasible and desirable." END

Increased incentives are a necessity

ment and the incentives which will induce the creation of jobs. While any tax program is bound to provide an important stimulus to consumer purchasing power, this must not be its sole purpose. Purchasing power is being well sustained and hence the stimulation of purchasing power is a less important aspect of the current problem than is the increase of incentives. Emphasis must be given to tax reforms which will stimulate savings and new investments—that is, those which have a greater impact upon higher incomes and corporations.

An across-the-board percentage reduction in income taxes would meet these objectives. It is to be preferred to a tax reduction effected through increasing individual exemptions or other measures designed to stimulate purchasing power.

In addition, a combination of corporation tax reduction and the adoption of incentives to induce expansion in plant and equipment and the establishment of new businesses is required. Finally, the reduction and, in some instances, elimination of excise taxes on goods and services can contribute to an increase of the real buying power of the dollar by making possible a reduction in prices.

During the '30's, we had firsthand experience with programs which failed to stimulate incentives. The result was a large volume of chronic unemployment. It is not often realized that the number of persons employed in 1939 was only moderately lower than the number employed in 1929 (47.6 million in 1929 and 45.8 million in 1939). On the other hand, the average number of unemployed increased by about 8 million. Approximately three fourths of this increase in unemployment reflected the increase in the size of the labor force and the fact that we failed to find jobs for this added number of workers.

We must avoid a repetition of the types of programs which contributed to that result. A tax program designed to stimulate incentives will help to create jobs and will assure that the increase in unemployment we now are experiencing is temporary rather than chronic. **END**



"We're in the news!"

"You know, Andy, that our local Chamber of Commerce is a hive of activity. It's one of the stronger Chambers, with a group of enthusiastic members who give it many hours of their time.

"Here's why our town is making the headlines: Last year we brought three new industries to town and helped arrange a zoning change which enabled one of our old, established firms to double its productive space. We staged a 'Clean-up, Paint-up' month which brightened what used to be the grim and grimy South End of town. Our Congressional Action Committee waged a Letters-to-Congress campaign which clarified our views on one of the big issues both for our congressman and ourselves. Finally, we waged a membership drive which nearly doubled our strength—good, solid citizens who promptly got busy on our various committees.

"We entered one of the nationally recognized awards contests sponsored by the National Chamber and won it; and this, Andy, gave our town nationwide publicity. Enthusiasm breeds more enthusiasm, especially when it's recognized.

"By the way, I'm working on the new-member drive. Why not join our local Chamber of Commerce and help us continue the good work."

Pete Progress

Speaking for
your local Chamber of Commerce

When power fails and lights go out



Exide Lightguard® goes on—automatically



CAN SAVE YOU \$1000's

Shoplifters stole \$50,000 in merchandise from one department store when lights went out. Factories, schools, office buildings, hospitals, restaurants — every building with people in it—need Exide Lightguard. Low cost protection against panic, theft, injury, damage. Free bulletin gives full details. Send coupon.

Exide INDUSTRIAL DIVISION
The Electric Storage Battery Company, Phila. 2, Pa.

Send me the bulletin on Exide Lightguard emergency lighting units.

Name _____

Company _____

Street _____

City _____ Zone _____ State _____

68

ADVERTISERS IN THIS ISSUE • May 1958

	PAGE
Acco Products, Inc.	100
La Porte & Austin, New York	
Air Express, Division of Railway Express Agency	11
Burke Dowling Adams, New York	
Aluminum Company of America	17
Ketchum, MacLeod & Grove, Pittsburgh	
American Credit Indemnity Company	12
Van Sant, Dugdale, Baltimore	
American Photocopy Equipment Company	51, 52
Irving J. Rosenblum, Chicago	
American Telephone & Telegraph Co., Inc. (L.L.)	107
N. W. Ayer, Philadelphia	
American Telephone & Telegraph Co., Inc. (Inf.)	1
N. W. Ayer, Philadelphia	
Armeo Drainage and Metal Products, Inc.	101
N. W. Ayer, Philadelphia	
Bay West Paper Company	96
Klau-Van Pietersom-Dunlap, Milwaukee	
Beech Aircraft Corp.	26
Associated Advertising, Wichita	
Berens, Frederick W., Sales, Inc.	95
Kal, Ehrlich & Merrick, Washington	
Blue Cross-Blue Shield Commission	66, 67
J. Walter Thompson, Chicago	
Burroughs Corp.	59, 82, 83
Campbell-Ewald, Detroit	
Butler Manufacturing Company	102
Abrey, Finlay, Marley & Hodgson, Chicago	
Carrier Corp.	14, 15
N. W. Ayer, Philadelphia	
Cast Iron Pipe Research Association	6
H. B. Humphrey, Alice & Richards, New York	
Celanese Corporation of America	89
Ellington & Company, New York	
Chamber of Commerce of the U. S.	90, 91
Direct	
Chamber of Commerce of the U. S.	105
Gray & Rogers, Philadelphia	
Contacts Unlimited	100
Murray Schneiderman, Chicago	
Dodge, F. W., Corp.	99
G. M. Basford, New York	
Dow, Jones & Company, Inc.	92
Batten, Barton, Durstine & Osborn, New York	
Eastern Express, Inc.	85
Kuttner & Kuttner, Chicago	
Eastman Kodak Co. (Verifax)	45
J. Walter Thompson, New York	
Edmund Scientific Company	86
Walter S. Chittick, Philadelphia	
Electric Storage Battery Company (Exide Industrial Div.)	106
Gray & Rogers, Philadelphia	
Executiveone, Inc.	10
Joseph Katz, New York	
Exercycle Corp.	65
Wilbur and Ciangio, New York	
Ford Motor Company (Truck Div.)	60, 61
J. Walter Thompson, Detroit	
Frick Company, Inc.	88
Waynesboro Advertising, Waynesboro	
Hardware Mutual Casualty Co.	22
Roche, Williams & Cleary, Chicago	
Hartford Fire Insurance Company Group	55
Marschalk & Pratt, New York	
Imperial Desk Company	85
Hathaway Advertising Agency & General Advertising Associates, Evansville	
Insurance Company of North America	63
N. W. Ayer, Philadelphia	
Inter-Continental Trading Corp. (Olympia Typewriter Div.)	56
Mann-Ellis, New York	
International Business Machines Corp.	2nd cover
Benton & Bowles, New York	
International Harvester Company, Inc. (Motor Truck Div.)	74, 75
Young & Rubicam, Chicago	
International Harvester Company, Inc. (Farm Equipment Div.)	57
Aubrey, Finlay, Marley & Hodgson, Chicago	
Kentile, Inc.	4th cover
Benton & Bowles, New York	
Majestic Wax Company	95
Walter L. Schump, Denver	
Marsh Wall Products, Inc.	77
Howard Swink, Marion	
Milwaukee Dustless Brush Company	76
Al Herr, Milwaukee	
Monroe Calculating Machine Company	25
L. H. Hartman, New York	
Moore, P. O., Inc.	104
Willard T. Hine, Phoenixville	
Murray Hill House	100
Stanley Perkins, Farmingdale	
Mutual Life Insurance Company of New York	71
Benton & Bowles, New York	
National State Bank of Newark	88
Williams and London, Newark	
New York Life Insurance Company	97
Compton Advertising, New York	
Onan, D. W., & Sons, Inc.	86
Graves and Associates, Minneapolis	
Operator NB	86
Conner Advertising, Denver	
Paillard Incorporated	20, 21
Fuller & Smith & Ross, New York	
Parker Corp.	96
Batten, Barton, Durstine & Osborn, New York	
Pitney-Bowes, Inc.	19, 3rd cover
L. E. McGivern, New York	
Portland Cement Association	18
J. Walter Thompson, Chicago	
Quantity Photos, Inc.	86
Sylvan Pasternak, Hollywood	
Recordak Corp.	49
J. Walter Thompson, New York	
Reznor Manufacturing Company	92
Eight Advertising, Columbus	
Scott Paper Company	87
Ketchum, MacLeod & Grove, Pittsburgh	
Shaw-Barton, Inc.	76
Bayless-Kerr, Cleveland	
Smith-Corona, Inc.	81
Cunningham & Walsh, New York	
Standard Financial Corp.	104
Bozell & Jacobs, New York	
Surface Combustion Corp.	100
Beeson & Reichart, Toledo	
Sylvania Electric Products, Inc.	4, 5
J. Walter Thompson, New York	
Texas Company	30
G. M. Basford, New York	
Travelers Insurance Company	29
Young & Rubicam, New York	
Tropical Paint Company	93
Fred M. Randall, Detroit	
United States Gypsum Company	98
Fulton, Morrissey, Chicago	
Vari-Typer Corp.	47
Bruce Angus, New York	
VU-AD Company, Division of Scripto, Inc.	16
Al Paul Leffton, Philadelphia	
Wellington Sears Company	103
Ellington & Company, New York	
Western Union Telegraph Company, Inc.	73
Benton & Bowles, New York	
Wood Office Furniture Institute	13
Henry J. Kaufman, Washington	



Behind Mr. Beiderwell, workmen use his reel in building a river levee. The reel holds and dispenses a spool of wire.

First telephone call to out-of-town prospect nets \$200

"The first time we tried telephoning an out-of-town prospect we earned a net profit of \$200," says G. E. Beiderwell, president of Ideal Reel Company, Paducah, Kentucky.

"That one call started us calling all our customers, from coast to coast. We don't make a sale on every call—but we do in most cases and it's very profitable business. About 70 per cent of our business now is done by telephone."

* * *

If you're not already selling your product by telephone, why not start right now? It's easy, personal, low in cost. And it gets results.

LONG DISTANCE RATES ARE LOW

Daytime Station-to-Station Calls

For example:	First 3 Minutes	Each Added Minute
Pittsburgh to Akron	55¢	15¢
Buffalo to Detroit	85¢	25¢
Dallas to Tulsa	85¢	25¢
Paducah, Ky., to Cleveland	\$1.25	35¢
Los Angeles to Minneapolis	\$2.05	55¢

Add the 10% Federal Excise Tax



BELL TELEPHONE SYSTEM

Call by Number. It's Twice as Fast.

LET'S NOT OVER-ADJUST OUR READJUSTMENT

HOWEVER MUCH the present business adjustment may differ in severity from its immediate predecessors, it surpasses them in at least one respect:

It claims far wider attention.

The recessions of 1949 and 1954 came and went largely unremarked except by those immediately affected and by economists.

The casual acceptance of mild adversity in those years contrasts sharply with the alarms and tocsins that are sounding today. Press wires out of Washington are frantic with rumors of impending actions, legislative proposals, spending schemes, boasts, excuses, and assurances that the unemployed have not been forgotten.

One who can think in all this din is likely to ask himself: "Why this effort to pump life into a business adjustment which, though sharp in places, is far from universal?"

He arrives at a pretty shabby answer:

Nineteen-fifty-eight is an election year.

If this harsh judgment seems to imply a belief that expediency colors the politician's view of the national economy, one needs only to turn to the proposed emergency spending schemes for proof.

Few of these schemes are new.

Some have actually failed on their own merits only to be offered again—after Sputnik—to help us catch up with the Russians; now, once more, to get us out of recession.

Some were tried in the decade 1930 to 1940 when, in spite of an orgy of government spending, we had the longest depression in our history.

Most would put government money initially into construction which is already projected at a record

level and where inflation cost has been running five per cent a year compounded for more than a decade. Such spending would not only run the government deeper into debt; it would take effect slowly and would be unstoppable once begun—even government cannot leave a dam half-built.

Carrying over into months or years after the present adjustment ends, it would bid against private builders for material and labor, thus increasing the pressure for inflation—which only a few months ago was a major concern of government.

It will be again unless statesmanship replaces the chase for selfish political advantage. If it will return to realities, government can help lay a firm foundation for a sound and enduring recovery.

Some automatic governmental stabilizers are already at work.

Some actions already taken can be helpful.

Latest figures show that, of the present 5.2 million unemployed, some 3 million are unemployable, changing jobs, or seasonably out of work—a normal condition. Some 700,000 are new additions to the working force seeking their first job. This leaves some 1.5 million who have lost their jobs because of the business readjustment.

Since it costs about \$16,000 today to employ a man in industry, a government effort to provide a job for these people would cost \$23 billion.

Even the most lavish government spenders would pause at this.

Private industry can meet this cost with advantage to everybody if federal tax reform provides the incentive to develop new things, and put people to work making them.



I've been framed!

"I shudda quit when I found they didn't have a postage meter. But they sweet-talked me into staying . . . made me think they'd get one. But look! Still the same old lick and stick. Slow. Messy. Bush league method. This time, I'm sure telling 'em: it's a postage meter . . . or goodbye!"

Get a postage meter—and you do away with licking and sticking stamps and envelope flaps. You print your postage as you need it, for any kind or class of mail, and always have the right stamp on hand. Save mailing time and postage. And your *metered* mail needs less handling time in the postoffice, can often catch earlier mail trains and planes.

Now, even the smallest office can have a postage meter and the prestige of metered mail—with the little, inexpensive DM, the *desk model* meter. A third of DM users spend less than \$1 a day for postage. Electric models available.

Call or write for free illustrated booklet.



PITNEY-BOWES Postage Meter

Made by the leading manufacturer of mailing machines . . .
Offices in 107 cities. In Canada: Pitney-Bowes
of Canada, Ltd., Dept. 358, 1156 Bay St., Toronto

A postage meter . . .

seals as well as stamps envelopes; most models stamp and seal simultaneously.

- Protects postage from loss, damage, misuse. Does its own accounting. And saves trips to the postoffice.
- Provides *parcel* postage on special gummed tape, with a *dated* postmark.
- Prints your own postmark ad with the meter stamp, if you like.
- Requires no minimum mail volume; anyone can easily use a postage meter!

FREE: Handy desk or wall chart of postal rates with *parcel post map* and zone finder.

To: Pitney-Bowes
1358 Pacific St.
Stamford, Conn.

Send free booklet, Postal Rate Chart to:

Name _____

Address _____



KENTILE VINYL

ON TODAY'S SMARTEST

FLOORS



*Friendly atmosphere of this charming Early American décor was inspired by the rich, nutty tones of the floor.
Kentile Corktone® Vinyl Asbestos Tile is available in light, medium, and dark shades.*

So wonderfully warm looking! So delightfully informal!

KENTILE® Corktone Vinyl Asbestos Tile with the rich,

nutty tones customers love. And how you'll love its

economy. You see, its easier care and longer wear

make it pay for itself in lower maintenance costs. It's

greaseproof . . . stain resistant . . . won't pit either.



Interested? Your Kentile Floor Contractor is listed under FLOORS in your classified phone book. Kentile Floors are available in Vinyl Asbestos (Kenflex®), Solid Vinyl, Cushion-back Vinyl, Cork, Rubber and Asphalt Tile . . . over 175 decorator colors! © 1958, Kentile, Inc., Brooklyn 15, New York.